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INTRASTAT II SEMINAR OF 13-14 MARCH 1996 MAIN RESULTS

REVIEW OF CURRENT SITUATION

There was some difference of opinion, even dispute, with regard to the analysis of the current situation. On the basis of the results of the opinion polls among providers and users of information, the general view of Intrastat is positive, even if more effort is needed to simplify and improve the system. However, it is hard to reconcile the interests of the information providers with those of the users, who generally want detailed and rapidly available results (see "survey results").

There was also emphasis on how the national Intrastat systems differed in terms of administrative organisation and results. This prompted the differing opinions on the part of the Member States. While some countries thought that the Intrastat system worked quite well - especially when it was closely linked to the fiscal system (France, Italy) - there were others which considered the situation more disturbing. Belgium (National Bank) stressed the imperfections in the current system and the United Kingdom (CSO) came to the conclusion that the cost-benefit ratio was unfavourable. A thorough analysis of the results using mirror statistics (Eurostat and CEPII) also produced a rather negative view.

OPINION OF ENTERPRISES OR BUSINESS FEDERATIONS

The seminar was used as an opportunity to speak out by a number of federations. While some speakers stressed the proportionally greater burden on SMEs (Small to Medium Enterprises), this view was not unanimously shared. The streamlining of procedures for SMEs must be planned with particular regard to the requirements for statistical information concerning the trade of these enterprises. The need to encourage the use of statistics and to provide feedback to SMEs was also mentioned.

Furthermore, the findings with regard to SMEs were tempered by the opinion poll

In this issue

OFICINA ESTADÍSTICA DE LAS COMUNIDADES EUROPEAS
DE EUROPÆISKE FÆLLESSKABERS STATISTISKE KONTOR
STATISTISCHES AMT DER EUROPÄISCHEN GEMEINSCHAFTEN
ΣΤΑΤΙΣΤΙΚΗ ΥΠΗΡΕΣΙΑ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ
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which revealed that it was mainly large enterprises which encountered difficulties and by the direct benefits when Intrastat was introduced, since it had exempted most European enterprises from any statistical obligation.

Other federations (especially UNICE and EUROFER) advocated maintaining, for the two flows, detailed monthly results which were rapidly available, together with the need for results to be related to extra-Community statistics, without however standing in the way of any proposals for simplification. The need was also voiced for supplementary information, such as the country of origin of goods.

FUTURE PROSPECTS

The possibilities for adapting or revising the current system depends on a number of factors:

❑ ***Future requirements for statistical information.*** These requirements were confirmed by most of the speakers, at both the macroeconomic and the microeconomic levels: market studies, evaluation of the degree of integration of the European Union, balance of payments or national accounts. Adjustments nevertheless need to be made to meet the needs of all users and to improve data quality.

❑ ***Link with the fiscal system.*** A thorough revision of Intrastat could prove necessary in view of the Commission's current options regarding the definitive system, in which the disappearance of some essential concepts in the current procedure is planned, in particular the notion of the intra-Community operator. However, the timetable for the conversion to the definitive system is unclear because of the scale of the work.

❑ ***Optimisation of the operation of the current system.*** Examination of the national systems (see "evaluation of national systems") revealed that measures to remedy a number of hitches in the current system were feasible. Furthermore, continued development and promotion of computer tools should make it possible to ease the burden on information providers and to improve the quality of the information.

❑ ***Future development of Intrastat.*** Adaptations such as the extension of Intrastat to cover services or its incorporation in business statistics were not feasible in the short term and came under the broader heading of a thorough revision of statistical concepts, to be studied especially in the light of continually changing market circumstances.

A number of practical suggestions for simplifying Intrastat were made during the seminar: elimination of data of doubtful use (mode of transport, nett mass), longer deadlines for the submission of declarations, etc. Simplification of the nomenclature was another topic often mentioned, although most users stressed the need for the same detailed nomenclature for all external trade. The possibility of using a nomenclature in which the degree of detail varied depending on the sector was another idea put forward by some federations. Lastly, the proposal of limiting data collection to a single flow met with a very mixed reception. In any case, there should be a thorough study of the implications of such a move.

The seminar generally revealed a broad consensus on the usefulness of Intrastat statistics and on the inadvisability, in the short term, of making any major changes to the system. However, the cost-benefit analysis is currently not favourable and it is necessary to look at adjustments and simplifications which would be likely to ease the burden on all enterprises, not only SMEs, and also to improve the operation of the system. In conclusion, Eurostat referred to a number of budgetary and political constraints (SLIM: Simpler Legislation for the Internal Market) and proposed some possible short- and medium-term options, together with a timetable.

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The following articles "For a durable Intrastat II system" and "Intrastat II - What it should be" were presented during the Intrastat II Seminar of 13 - 14 March 1996.
They were chosen as being representative of the diverse points of view expressed in the seminar.

FOR A DURABLE INTRASTAT II SYSTEM

UNICE (Union of Industrial and Employers' Confederation of Europe) position paper

Three years after the launch of the system for collection of intra-Community trade statistics, the overall assessment of developments that have taken place since UNICE's initial assessment dated 2 May 1994 is not very satisfactory, even if some points are encouraging. However, it is still deficient in some Member States.

The proposals for improvements put forward by UNICE at the inception of the INTRASTAT system then repeated on a number of occasions have been partially followed up. In this context, it is important first of all to underline the successful decoupling of EXTRASTAT statistics based on the old and unchanged observation mechanism, and which should no longer be disturbed by the increasing integration of the internal market.

Next, it is important to mention that the reliability of returns is based on the existence of directories of operators and the practice of cross-checking between administrations which EUROSTAT must organise and oversee to ensure that the regulation is complied with. Today's estimates must be replaced by hard data from companies, following a tolerant attitude in the running-in period.

Lastly, the use of computerised returns remains insufficient, despite the interest of the solutions proposed: incentives must be given, possibly with appropriate tax breaks in each Member State.

Regarding the substance, that is the economic meaningfulness of the statistics collected, it is indispensable to have rapid follow-up from both the micro- and-macro-economic viewpoints. This is because companies, their professional organisations, but also policy-makers at Community level, in Member States and in the regions learn important information from these detailed figures which enable them to evaluate the supply situation of the relevant market, the status of competition and the internal possibilities for growth. In addition, these figures are necessary to calculate national accounts, the balance of payments and monitoring of the macro-economic situation. The European Commission itself is obliged to document the progress of the internal market and to report its findings to the Council and Parliament. In this context, intra-Community trade statistics must be pursued and improved, since companies will continue to need geographical statistics even after adoption of a definitive VAT mechanism and the start of stage III of EMU.

As users of foreign trade statistics, companies must be placed on an equal footing with other users, in particular economic policy-makers, even if the needs of the latter are relatively divergent from those of industrial companies. From the angle of most industrial companies, it would be unacceptable for INTRASTAT II to be geared first and foremost to macro-economic requirements and monetary policy. There can be no doubt that insufficient account of industrial interests would have the consequence of increasing opposition to reporting obligations and of reducing acceptance of the system among companies. This would do the INTRASTAT II system a dis-service by ultimately undermining its quality.

On balance, however, in industry's view, it will not be possible to improve the promptness of intra-Community trade statistics by reducing the level of detail. Certainly, such a reduction would give the illusion of lightening the burden on reporting companies but this lightening would involve a considerable loss of information and an additional cost for private analyses. On the contrary, detailed data are necessary on the basis of an CN 8-digit nomenclature drawn up in close liaison with sectoral federations, otherwise companies will continue not to

have an analysis of the competitive situation of the different sectors on the Union market.

For European industry, it is important to ensure that intra- and extra-Community trade statistics are organised along the same principles for deciding the nomenclature of products. This is the only solution which will allow the two series of data to produce coherent and comparable results for foreign trade. It is therefore important to coordinate the nomenclature for trade follow-up and the nomenclature for production follow-up in the Community Committee on Activities and Products which brings together the existing CN management committees, PRODCOM, CPA, NACE and FEBIs.

To lighten the burden on companies reporting to this level of detail, the components on transport statistics could be entirely deleted from the INTRASTAT II system. This naturally also presupposes that these statistics would be completed autonomously, possibly using sampling techniques. In addition, European industry considers that, given the coupling with the amount of the invoice, collection of data on statistical value could now be abandoned bearing in mind the adjustment coefficients measured in the first three years of INTRASTAT I.

The reporting thresholds could be harmonised via a certain sectoral modulation concerted with the FEBIs so that possibly the minimum values can be increased with the aim of lightening the burden on SMEs. Eurostat could launch a study on the impact of the introduction of sectoral thresholds. Thanks to telematics solutions, which it is important to encourage, companies will be in a better position to meet deadlines and thereby maximise the usefulness of the results. Against this, a large majority of UNICE's members believe it absolutely essential to keep to a monthly frequency. Publication of detailed data could be delayed even more in the case of, say, quarterly reporting.

In view of the link between trade statistics and indirect taxation, the need for reliable and confidential data , which can be provided in a cost-effective manner, is self-evident. In general, it is important to continue to obtain separate information on dispatches and arrivals of goods for two reasons: first, to avoid having to rely on the least efficient Member State in terms of deadlines; and second, to cope with a possible move to a definitive VAT regime, based on the country of origin principle rather than the country of destination, in the future. This check must be retained and, possibly, reinforced by the linking of national VAT rates to the same CN product nomenclature.

The purpose of the INTRASTAT II system must be clear in the framework of the single market. The task is to monitor trade between non-integrated units situated in different Member States in order to gain an accurate picture of real growth and the level of relative competitiveness on the final market.

In conclusion, UNICE supports review of the methods and procedures by which intra-Community trade statistics can be collected. UNICE and its member federations would like to be involved in discussions on the structure of the INTRASTAT II system and reaffirm their willingness to play an active role and to disseminate simplification recommendations compatible with the system's objective and consistent with minimising the burden on companies, particularly SMEs. In addition, it would be highly desirable for Member States and the Commission to demonstrate their political determination clearly, in word and in deed, so that the hoped-for results are achieved rapidly.

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INTRASTAT II - WHAT IT SHOULD BE

Mr R.K. Battersby
"Director-Procedures", Sitpro, UK

1. The title of my presentation is 'Intrastat II - What It Should Be' - with a questionmark.

2. To get to this position one could equally approach it from the stand point of what it should not be. More of that in a moment.

3. Firstly as you have heard my name is Ray Battersby - Director of Trade Facilitation at SITPRO. SITPRO is an acronym for the Simpler Trade Procedures Board which is the United Kingdom's Trade Facilitation Organisation which is supported by both government and the major players in international trade Today however, I speak to you as the chairman of the Europros - European Official Procedures Group. The Europros are the Trade Facilitation Organisations within all the Member States of the European Union and EFTA countries. Our collective remit is to ensure that the movement and payment of goods and related services is undertaken in the most efficient and cost effective manner by all relevant parties which of course includes government and Commission institutions such as Eurostat.

4. The Europros main objectives is to work towards the scenario whereby intra-Community and third country trade replicates to a large degree that undertaken for goods bought and sold within the domestic market - such an objective means that the requirements of all the participants are effectively commercially driven. Trade facilitation is, of course needed in this sector but that's another speech, another day, another venue. Where it is not possible to replicate the domestic market - an example being a shipment of common agricultural products or an arms shipment - then the procedures and documentation laid upon the trader need must be proportionate to the control sought by the administration. Often they are not.

5. Given our objective you will not be surprised to hear that way back in 1988 we generally welcomed the Commission's proposals for the removal of fiscal and statistical barriers for the inter-Community movement of goods. However three years into the internal market we would have liked, in the fiscal area, to have seen a VAT origin scheme in place. On the statistical front, we and others see the need for a revised Intrastat system and what we think this should be I will now explain.

6. The Europros do not argue that Intrastat is needed for official and some commercial purposes but the trick is to enable the right balance to be struck between the providers of the data and the subsequent users. Delegates will be aware that a substantial number of organisations see Intrastat as being irrelevant within the internal market particularly when supplying data which is of no interest or benefit to them commercially. Such a position can be one of principle but I believe that much of the opposition generated has more to do with the burdens imposed. We understand the rationale of those wishing to abolish altogether the collection of statistics within the internal market but clearly such a situation is unrealistic. However the opportunity to have a rationalised and more targeted regime must not be missed.

7. Intrastat II therefore must not only be able to provide meaningful statistics for strategic or commercial usage but it also has to reduce the burdens for providers, whether or not they have a use for the finished product. To do otherwise would render the exercise problematical and give gratuitous ammunition to those wishing to deprecate the Community and the single market process whilst also maintaining and even increasing existing opposition to Intrastat. As trade facilitators we would not want this to happen.

8. Our proposals for what the shape and format of Intrastat II should be, are therefore as follows:

9. The Europros view negatively the low and disparate statistical thresholds throughout the Community. In our view this captures a disproportionate number of small and medium sized enterprises whilst making the amount of data collected unnecessarily heavy. Equally it is acknowledged that the cost to the organisations of supplying such data is proportionately more of their unit costs than that incurred by their larger counterparts.

10. At a macro level we feel that intra-Community statistics would not be undermined if threshold levels were set at a minimum of 425,000 ECU's and a maximum of 850,000 ECU's. The lower level would be used by Member States where SME's account for a significant percentage of the economic activity. The higher threshold would apply where the larger economic operators provide, in value terms, the vast majority of the data.

11. Moreover administrations would still continue to receive the VAT returns for traders below the threshold levels which would enable the economic activity of the small and medium sized enterprises within the European community to monitored.

12. We believe such a system would still provide statistics for government and Community institution purposes with the value added trade bonus of reducing costs for each individual consignment for the SME sector of trade. This fact alone might trigger greater economic activity in this sector.

13. It is possible that within such a scenario certain trade organisations would still require at item level a greater degree of detail. If this be the case, consideration could be given by Member States to allow, by exception, the supply of such data by and for a specific trade sector. In doing so this would mean that the supply and user costs involved would be borne by those directly involved.

14. My reference to VAT returns brings me to the Europros position that Intrastat II and the definitive VAT system must be inextricably linked. One of the implementation features of the single market has been that the completion of statistical & VAT returns are increasingly being undertaken within organisations by their treasury or accounts department. Previously within organisations the VAT return and the export and import declarations to a large degree were separate activities. Since the 1st January 1993 the two regimes commercially are seen as part and economic operators that the statistical and VAT proposals within some Member States government departments require the returns separately.

15. What is not of supreme indifference is the lack of coherence between the VAT and statistical regimes for certain goods and the differing data elements required by Member States. With such situations you move into the accumulation of burdens and cost effects between the two official regimes. A major complaint on coherency has been differing values for statistical and VAT purposes. We believe that in future what needs to be declared for both regimes in the invoice value in the currency of transactions or the ECU. Additionally one should not need to qualify the selling price with a notional frontier value by declaring the nearest positive delivery term.

16. In this regard it is not particularly helpful that the delivery terms quoted, FOB and CIF, are increasingly irrelevant for the vast majority of transported consignments within the internal market. If there is a value in declaring the delivery term data element then it must be that agreed between the buyer and seller. It would also be helpful to use Incoterms' 90, the world wide trade terms agreed by the International Chamber of Commerce.

17. On transport data we believe that this should be removed from the Intrastat system as reporting is often inaccurate with the nett effect of compromised data. Numerous traders are ignorant of, or have little interest in, the mode of transport used. For the others there is an ongoing risk of error. For instance did you know that when a road groupage consignment is sent from Glasgow in Scotland to Rome in Italy it has to be declared as a sea movement purely because a small part of the journey is on the cross Channel ferry between England and France. The same consignment, if it is transported on the Eurotunnel shuttle, has to be declared - as, wait for it, a Channel tunnel movement. That's not the end of the story; upon arrival in Rome it is declared as a road consignment.

18. We also feel that the following data elements can be dispensed with

❶ net mass
❷ supplementary units
❸ country of origin

as there is insufficient justification within the internal market for their submission.

19. We appreciate the need for the country of consignment and the country of destination details, what we question is, why does the UK accept the two alpha character code whilst other Member States use a three digit numerical code. This isn't very helpful either procedural or systems-wise, especially if you are operating in a

number of Member States. The coherence issue again.

20. We also understand that 75% of the classification errors occur at the seven and eight digit level. Restricting the statistical figure, based purely on the six digit Harmonised Commodity System would logically bring about a substantial reduction in this category of errors. We accept however that, some traders who also provide third country statistics at an eight digit level and beyond may wish to continue at this level for the intra-Community statistics, this is an area that requires further consideration.

21. We suggest therefore to Eurostat and the Member States that the data to be collected at item level should be:

❶ invoice value;

❷ commodity code at HS level (6 digits);

❸ Member State of destination or arrival;

❹ traders reference number;

❺ delivery terms (maybe);

❻ VAT payable amount.

22. Included in our list is a new element covering the amount of VAT payable shown on the invoice. This will only apply of course if a VAT origin system is in place. It is there because we feel it's use would play a fundamental role in any VAT redistribution exercise not undertaken at a macro level. The totalling of each Member State's input and output VAT values should give them, and the Commission, the necessary data for a soundly based restitution formula using existing systems.

23. Such a data element per trader would be recorded into the VIES system, currently used for VAT numbers and the European sales listing information. The latter would no longer be required in an origin based system.

24. This is a further example which underlines the fact that the operation of the two regimes need to go hand in hand and that Eurostat and DG 21 need to work closely together in formulating and presenting their proposals. Not only must they be singing the same song but they must sing it in tune.

25. Another easement we seek is that the reporting period should be extended to the twenty first day of the following month. The existing ten day reporting period is not consistent with commercial month-end closing down activity. We suggest that a greater harmonisation with commercial timescales is likely to produce with it a better quality return, of statistics.

26. The proposals that you have heard today have been predicated from the base that Intrastat II will continue to require both arrival and despatch reporting. We understand from Eurostat that comparison between the arrival and despatch data indicates that the former is under-declared by 4,5%. Such a difference questions the whole credibility of the trade supply and the subsequent use of such data.

27. It is understood that Intrastat are giving consideration to a system whereby only the dispatch information would be recorded and reported to them, they would recalculate the data and transfer it to the relevant Member States as arrival statistics. We think that this is not only a very radical proposal but it is also soundly based. Reducing by half the data required would relieve substantially the burdens on traders. Such an implementation would receive our wholehearted support and we encourage Eurostat to pursue the possibility vigorously. We also feel that if it is linked to that which we have proposed today, the final package will represent trade facilitation at it's potential best for all the participants. That then ladies and gentleman is my presentation on what Intrastat II should be, **WITHOUT THE QUESTIONMARK.**

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STRONG GROWTH IN TRADE AMONG THE 15 EU MEMBER STATES IN 1995

The majority of Member States (all except Greece, Spain, France, Italy, and Finland) correct the intra-EU trade totals broken down by partner country to take account of non-responses and the effect of thresholds. These estimates cannot be broken down to the most detailed level of the product nomenclature.

Despite these adjustments, there was a 5.3% gap in 1995 between EU dispatches and arrivals, although in theory these two values should be equivalent. Eurostat feels that, since the introduction of Intrastat, dispatches are the more reliable measurement of intra-EU trade, whilst arrivals are considered to be underestimated.

Despite a noticeable slowdown during the final quarter of the year and the fact that the economic growth was down on the previous year, trade among the Member States of the European Union (EUR15) rose substantially in 1995 (+11.3% for dispatches and +9.3% for arrivals).

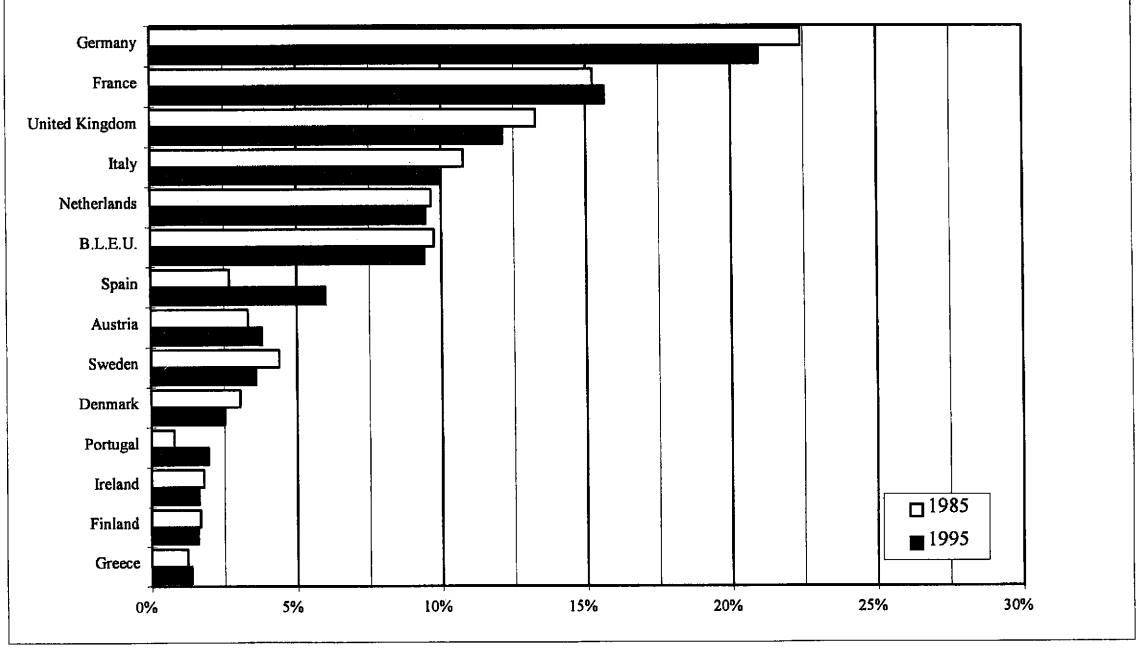
The slowdown in growth compared to 1994 (3.9% for arrivals and 1.5% for dispatches) can mainly be attributed to **Germany**, the **United Kingdom**, and **France**. Arrivals, for example, were down 5.6% in **Germany** and fell 5.2% in the **United Kingdom** and 4.2% in France.

Despite this slower growth rate, **Germany** remained the largest operator in the European Union internal market in 1995. It is also the main intra-EU trading partner for all the Member States, with the exception of Spain (France), Ireland (the United Kingdom) and Portugal (Spain). The other main forces in intra-EU trade are, in descending order, **France**, the **United Kingdom**, and the **Netherlands.**

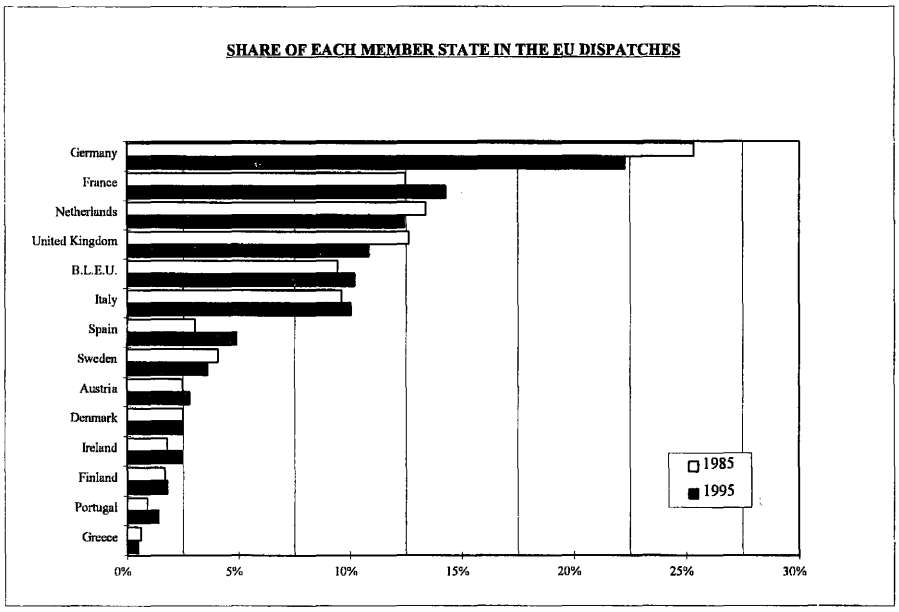
It was **Finland**, however, which recorded the highest growth rates for trade with other Member States, both for arrivals (+19.7%) and dispatches (+22.8%). **Austria**, **Denmark** and **Spain** also experienced a large increase in arrivals from other Member States, whilst there was strong growth in dispatches to other EU countries by the **Netherlands** and **Sweden**.

Finally, **intra-EU** trade last year accounted for 63.5% of total trade by the Member States. In percentage terms, **Portugal** was the country most oriented towards the internal market, which was

SHARE OF EACH MEMBER STATE IN THE EU ARRIVALS



the theatre for 80% of its exports and 74% of its imports. It was followed by **Austria, Belgium-Luxembourg**, the **Netherlands**, and Ireland. At the opposite end of the scale, the **United Kingdom, Germany, Italy**, and **Greece** (for exports only) had the largest volume of trade with non-EU countries.



BELGIUM AND LUXEMBOURG

In 1995, trade with other European Union Member States accounted for almost three-quarters of the total foreign trade by the Belgo-Luxembourg Economic Union (B.L.E.U.). It is the sixth-largest operator in the internal market, and saw its trade figures grow faster than the Community average in 1995, at +12.7% for dispatches and +11.2% for arrivals. With growth in dispatches outpacing the increase in arrivals, the B.L.E.U.'s trade surplus rose from ECU 10 500 million in 1994 to ECU 12 900 million in 1995.

The B.L.E.U.'s main trading partner is **Germany** (28% of intra-EU arrivals and 28.7% of dispatches), followed by **France** and the **Netherlands**.

The improvement of the intra-EU trade balance in 1995 is primarily the result of ECU 1 500 million surplus for manufactured products. Among those, the surplus for "other manufactured articles" rose by ECU 1 900 million. The position of the B.L.E.U.. for other types of products remained very stable.

DENMARK

For the second consecutive year, the trade surplus which Denmark normally enjoys in intra-EU trade shrank. It fell from ECU 2 200 million in 1994 to ECU 1 100 million in 1995. This can be explained by the increase in arrivals (14.5%) outstripping the growth in dispatches (8.5%).

Over two-thirds of Denmark's external trade is conducted with EU Member States. **Germany**, with 32.3% of intra-EU arrivals and 35.8% of intra-EU dispatches, is its largest trading partner, followed by **Sweden** (approximately 16%).

The trade figures recorded by Denmark exceeded the sum of the declarations made by other countries regarding their trade with Denmark, to the tune of ECU 3 800 million (or 15.2%) for dispatches and ECU 100 million (or 0.5%) for arrivals. Most of this difference (over ECU 2 000 million) is, however, explained by the disparity between Danish dispatches to Germany and arrivals declared by the latter.

The reduction in the intra-EU trade surplus was caused by the rising deficit for manufactured goods (up from ECU 3 600 million to ECU 4 200 million), and particularly for machinery and transport equipment where the deficit grew by ECU 700 million. With the exception of "other products and adjustments", all the other items remained stable, including the ECU 3 800 million surplus for foodstuffs.

GERMANY

Germany is the most powerful force in intra-EU trade, despite the fact that around 42% of its total trade was conducted with non-EU countries in 1995. Germany alone notched up 21% of all intra-EU arrivals and 22.3% of EU dispatches. **France** is its main EU trading partner with 19% of arrivals and 20.4% of dispatches.

The growth in trade with the other Member States slowed down substantially in 1995, dropping from 10% to 4.4% for arrivals and from 9.6% to 6.8% for dispatches. However, the greater growth in dispatches, as compared to arrivals, did help to consolidate Germany's intra-EU trade surplus, which rose from ECU 18 200 million in 1994 to ECU 23 900 million in 1995.

The figures published by Germany's trading partners differ substantially from those presented above, thus introducing an element of uncertainty into the analysis of its intra-EU trade flows. The arrivals declared by Germany, for example, are ECU 29 700 million (14.9%) lower than the dispatches declared by its partners, whilst Germany's dispatches fall ECU 3 300 million short of the total arrivals published by the fourteen other EU countries. The main reasons which could be put forward to explain such discrepancies are non-responses or insufficient reporting (particularly of arrivals) and the high level of the assimilation thresholds which absolve a large number of SMEs from the obligation to make statistical declarations.

The growth in the intra-EU trade surplus is entirely due to the increase in the surplus for manufactured goods. This rose from ECU 36 600 million in 1994 to ECU 44 100 million in 1995, thanks to an ECU 5 200 million increase in the surplus for machinery and transport equipment and an ECU 1 700 million rise in the surplus for other manufactured products. The deficits for "foodstuffs" (ECU 9 800 million), "energy products" (ECU 6 600 million) and "raw materials" (ECU 2 100 million) remained relatively stable.

GREECE

For the third consecutive year, Greece experienced low growth rates for intra-EU trade: + 5.3% for arrivals and + 6.7% for dispatches. Despite the higher growth rate for dispatches, the intra-EU deficit widened from ECU 7 800 million to ECU 8 100 million. Greece's overall trade deficit (intra- and extra-EU trade) stood at ECU 10 400 million last year, some 124% of total exports.

Two main partners, **Germany** (main country of destination) and **Italy** (main country of origin) accounted for almost 60% of Greek intra-EU dispatches in 1995 and 50% of its arrivals.

The structure of Greek intra-EU trade by product remained stable between 1994 and 1995. The trade deficit for manufactured products was up from ECU 6 800 million to ECU 7 200 million, with machinery and transport equipment alone responsible for ECU 3 500 million. The trade deficit for foodstuffs was down slightly to ECU 1 300 million.

SPAIN

Spain contributed less than 6% to the internal market in 1995, even though its growth rate for intra-EU trade was one of the highest: 14.1% for dispatches and 14.4% for arrivals. Spain's intra-EU trade deficit increased slightly last year from ECU 6 600 million to ECU 7 700 million. Despite the negative balance, it looks as if arrivals might be under-estimated, since dispatches by other Member States to Spain were ECU 4 400 million higher.

France remained its main trading partner in 1995 ahead of **Germany**, with these two countries between them accounting for around half of Spain's intra-EU trade.

The trade surplus for foodstuffs rose marginally from ECU 1 200 million to ECU 1 500 million, but could not offset the worsening balances for trade in raw materials (down ECU 500 million) and manufactured products, which fell from -ECU 7 400 million to -ECU 8 100 million.

FRANCE

Arrivals in France, which occupies second place in the EU trade table, rose faster than the EU average in 1995 (+10.1%). As a result, its intra-EU trade deficit deepened from ECU 4 400 million to ECU 5 500 million because dispatches rose by only 9.6% over the same period.

Germany is France's main trading partner with over 28% of the total, way ahead of Italy, the BLEU, and the United Kingdom. Dispatches declared by France's European partners were 6.2% (or ECU 9 200 million) higher than the French figure for arrivals, casting some doubt on the true level of France's balance of trade figures.

The doubling of the deficit for machinery and transport equipment along with an ECU 800 million increase in the defi-

cit for other manufactured goods deepened its intra-EU trade deficit in manufactured goods, which rose to ECU 11 200 million in 1995. The positive balance for foodstuffs, on the other hand, grew by ECU 600 million.

IRELAND

Ireland is very actively involved in the internal market which is the destination for three-quarters of its exports and the source of almost two-thirds of its imports. The proportion of EU arrivals in its import total has, however, fallen steadily since 1992 (from 74.9% to 63.8% in three years). The **United Kingdom** is its main partner, accounting for 66% of arrivals and 35% of the country's intra-EU dispatches.

The strong growth in dispatches (+16.3%) has caused the trade surplus to expand significantly from ECU 6 900 million in 1994 to ECU 9 100 million in 1995 - over one-third of total Irish dispatches. The 8.6% growth rate in arrivals is, however, lower than the Community average.

The increase in the surpluses for the foodstuffs (+ ECU 300 million) and for the machinery and transport equipment (+ ECU 1 500 million) explains the major part of the improvement in the trade balance.

ITALY

Italy posted very healthy balance of trade figures in 1994 for both intra-EU trade (ECU 6 000 million) and extra-EU trade (ECU 14 700 million). The share of intra-EU trade in Italy's total trade figures has been falling steadily for five years. The growth in dispatches (8.4%) is well short of the Community average, whilst the figure for arrivals (9.3%) is around the average mark.

Its two main EU trading partners, **Germany** (32% of trade) and **France** (23%) accounted for over half of Italy's intra-EU trade in 1995.

The reduction in the deficits for foodstuffs (by ECU 300 million) and raw materials (down ECU 200 million) were not large enough to offset the drop in the surplus recorded for manufactured products which fell from ECU 17 600 million to ECU 16 600 million.

NETHERLANDS

After the new Member States, the Netherlands and Ireland have the highest non-response rates. In 1995, estimates were made for 12% of dispatches and 17% of arrivals.

According to these figures, the Netherlands experienced very strong growth in intra-EU trade, both in dispatches (19.7%) and arrivals (12.6%). As a result, its trade surplus in 1995 climbed from ECU 24 200 million to ECU 34 700 million. This should, however, be viewed in conjunction with the equivalent figures for trade with non-EU countries, where the deficit expanded from ECU 19 100 million in 1994 to ECU 21 000 million in 1995. In fact, a fairly significant proportion of EU trade recorded by the Netherlands merely passed through the country via the port of Rotterdam.

Germany is the main EU trading partner, claiming over one-third of the country's intra-EU trade, ahead of the **B.L.E.U.** on around 17%.

The growing intra-EU surplus is due to the ECU 7 100 million increase in the surplus for manufactured goods and the greater number of adjustments made to dispatches which produced a positive balance for the item "other goods and adjustments". It should be borne in mind here that these results are provisional and that, particularly in view of the number of late responses, the importance of adjustments should lessen over time. The Netherlands has a positive and improving balance of trade for all types of manufactured goods: ECU 3 500 million for machinery and transport equipment, ECU 2 300 million for other manufactured goods, and ECU 1 300 million for chemical products.

AUSTRIA

Over 70% of Austria's foreign trade is conducted with the Member States of the European Union. Of these, **Germany** claims over 60% of Austrian intra-EU trade, way ahead of **Italy**, which accounts for only around 12%.

Austria's intra-EU trade figures are all still estimated. The change in methodology associated with EU membership makes it impossible at present to draw truly reliable comparisons with the past.

It would, however, appear that Austria's balance of trade with the other Member States deteriorated in 1995, dropping from ECU -7 000 million to ECU -8 200 million. This reduction was more than offset by the marked improvement in its balance of trade with non-EU countries, as Austria converted a deficit of ECU 1 600 million in 1994 into a surplus of ECU 3 500 million in 1995.

Austria has applied Community legislation and its related methodology only since joining the European Union. Comparisons of the results for 1994 and 1995 are therefore of little significance, particularly as regards arrivals/imports. These figures are, moreover, only provisional estimates.

Finland and Sweden have also applied the Community methodology only since 1995. However, in order to make comparisons easier, the national authorities concerned helped Eurostat compile the 1994 figures using a methodology akin to the Community methodology, and not on the basis of the national concept. These alignments should, however, be used with caution and do not apply to the years before 1994.

PORTUGAL

Portugal is the EU country with the largest proportion of trade with other EU Member States: 80% of all exports and 74% of imports. Portugal's foreign trade balance remained stable last year with deficits of ECU 4 500 million for intra-EU trade and ECU 3 000 million for extra-EU trade. In 1995, Portugal's trade deficit stood at 43% of the country's total exports.

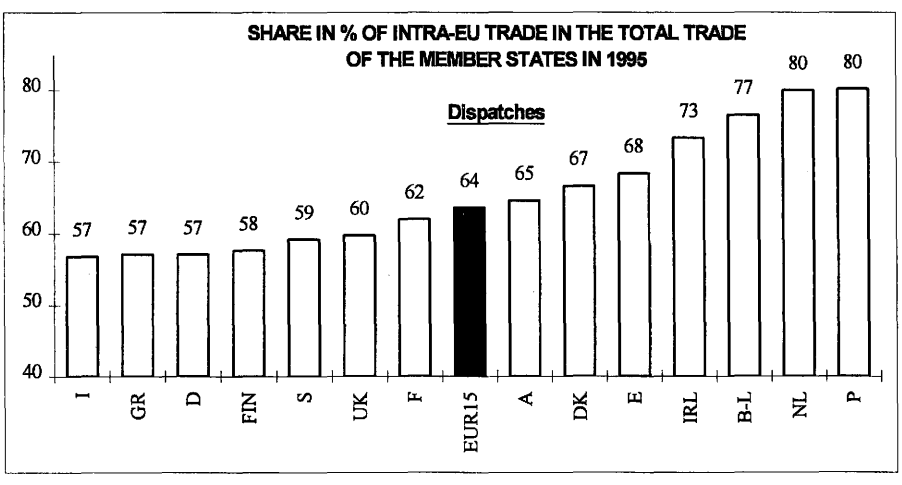
Whilst **Spain** is Portugal's main supplier (28% of arrivals) ahead of **Germany**, the situation is reversed when it comes to customers for Portuguese products, with 27% of dispatches heading for **Germany** and 18% for **Spain** and **France**.

The strong growth in dispatches (15.4%), particularly for manufactured goods, helped stabilise the intra-EU balance of trade. The deficit recorded for manufactured goods fell slightly in 1995 to ECU 3 400 million, whilst the deficit for foodstuffs was stable at around ECU 1 100 million.

FINLAND

Despite certain methodological restrictions [1], Finland has recorded more sustained growth in foreign trade than any other EU Member State, with dispatches rising by 22.8% and arrivals by 19.7%. Both the intra-EU and extra-EU foreign trade balances are well in the black at ECU 2 700 million and ECU 5 500 million respectively.

The main suppliers of Finnish arrivals are **Germany** (24%) and **Sweden** (23%), and although the range of destinations for dispatches is wider, **Germany** still comes top on 23%.



[1] There is an element of uncertainty about the figure for the increase in arrivals in particular (19.7% up on 1994), because the concept used for a partner country has changed (country of origin v country of consignment). By way of comparison, imports from non-EU countries would seem to be down 12.7% over the same period. The difference between the two values is substantial but it is not possible to correct these methodological differences *a posteriori*.

The trade of Finland with the other Member States is surplus mainly because of the trade of raw materials (ECU 1 100 million) and "other manufactured articles" (ECU 4 600 million). On the other hand, it is overdrawn for machinery and transport equipment (ECU 1 400 million), chemical products (ECU 1.3 Billion) and foodstuffs (ECU 600 million).

SWEDEN

The growth in Sweden's intra-EU trade is higher than the Community average at 18% for dispatches and 11.3% for arrivals. Sweden has a foreign trade surplus with both the European Union (ECU 1 800 million) and non-EU countries (ECU 10 200 million). Intra-EU trade accounts for 69% of imports, but just 59% of exports.

The main European Union trading partner is **Germany** (23% of trade), followed by **Finland** (16%).

Like Finland, the intra-EU trade of Sweden is surplus mainly because of the trade of raw materials (ECU 2 700 million) and of "other manufactured articles" (ECU 2 800 million). On the other hand, it is overdrawn for foodstuffs (ECU -1 200 million), chemical products (ECU -900 million) and for machinery and transport equipment (ECU -800 million).

UNITED KINGDOM

The United Kingdom is the EU country most oriented towards non-EU partners, with intra-EU trade accounting for only 55% of imports and 60% of exports. Its main trading partners in the internal market in 1995 were **Germany** (26%) and **France** (17%).

Whilst its trade deficit with non-EU countries widened in 1995 from ECU 18 100 million to ECU 20 000 million, the United Kingdom's intra-EU deficit shrank from ECU 8 800 million in 1994 to ECU 6 600 million. Despite the fact that the growth rate for intra-EU trade was stronger than for extra-EU trade, it is still one of the weakest in the EU at 6.4% for arrivals and 9.1% for dispatches.

The reduction in the intra-EU trade deficit recorded last year can be traced back to improvements in the trade balances for machinery and transport equipment (ECU 2 600 million) and "other manufactured products" (ECU 600 million). The positive balance for chemical products, on the other hand, became an ECU 500 million deficit. Finally, there were improvements in the balance of trade for energy products (up ECU 500 million), foodstuffs (up ECU 200 million) and raw materials (+ECU 200 million).

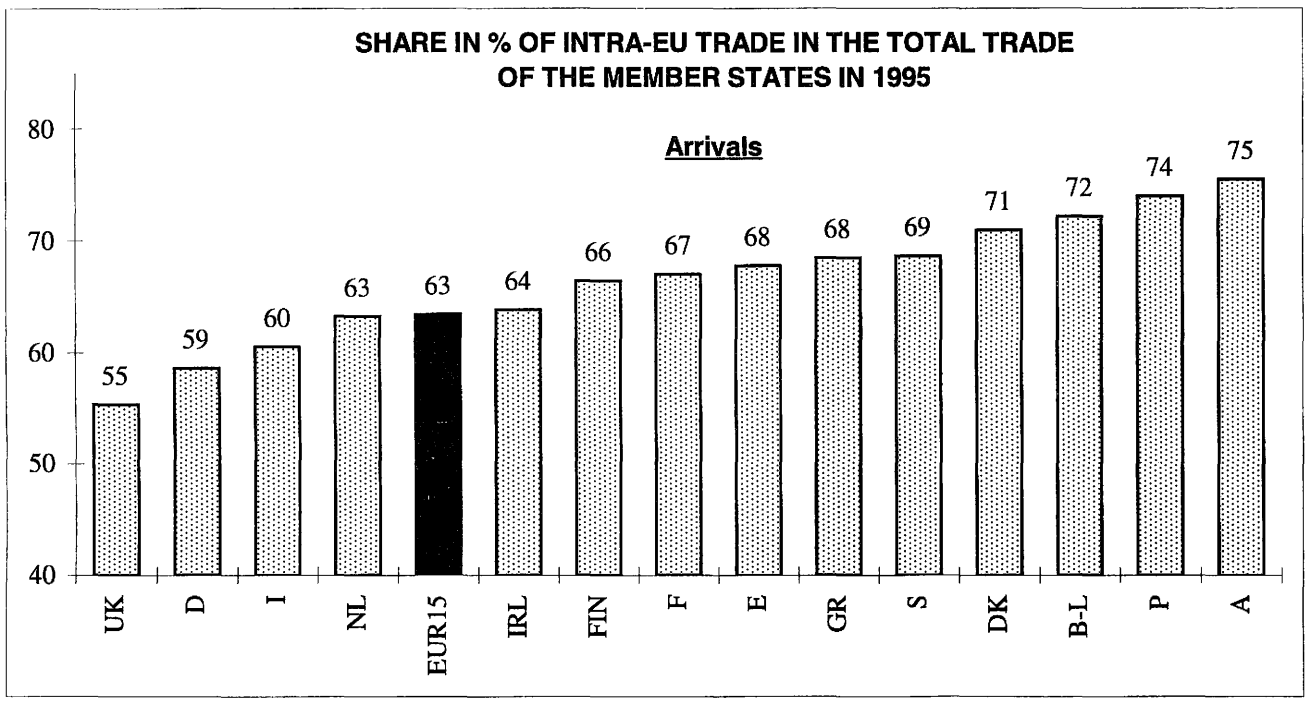


TABLE 1: ANNUAL EVOLUTION OF INTRA-EUROPEAN UNION TRADE (EUR 15)

ARRIVALS

	1991	1992		1993		1994		1995	
	Value	Value	Evolution	Value	Evolution	Value	Evolution	Value	Evolution
EUR15	**824 273**	**837 443**	**1,6%**	**765 374**	**-8,6%**	**866 236**	**13,2%**	**946 682**	**9,3%**
B.L.E.U.	75 899	75 892	0,0%	75 148	-1,0%	80 060	6,5%	89 063	11,2%
Denmark	18 452	18 740	1,6%	17 877	-4,6%	20 809	16,4%	23 827	14,5%
Germany	194 790	196 685	1,0%	172 679	-12,2%	190 027	10,0%	198 451	4,4%
Greece	11 101	12 221	10,1%	11 843	-3,1%	12 276	3,7%	12 929	5,3%
Spain	45 511	47 288	3,9%	43 061	-8,9%	49 611	15,2%	56 749	14,4%
France	134 676	136 682	1,5%	117 743	-13,9%	134 545	14,3%	148 095	10,1%
Ireland	12 057	12 502	3,7%	12 142	-2,9%	14 192	16,9%	15 408	8,6%
Italy	91 017	91 675	0,7%	75 317	-17,8%	86 263	14,5%	94 309	9,3%
Netherlands	69 223	71 137	2,8%	69 330	-2,5%	79 480	14,6%	89 495	12,6%
Austria	28 383	28 926	1,9%	28 205	-2,5%	31 132	10,4%	35 962	15,5%
Portugal	15 954	17 914	12,3%	15 406	-14,0%	16 716	8,5%	18 437	10,3%
Finland	10 068	9 559	-5,1%	8 205	-14,2%	12 669	54,4%	15 160	19,7%
Sweden	24 378	23 516	-3,5%	21 667	-7,9%	30 518	40,9%	33 958	11,3%
United Kingdom	92 766	94 707	2,1%	96 752	2,2%	107 940	11,6%	114 839	6,4%

DISPATCHES

	1991	1992		1993		1994		1995	
	Value	Value	Evolution	Value	Evolution	Value	Evolution	Value	Evolution
EUR15	**822 533**	**832 970**	**1,3%**	**795 124**	**-4,5%**	**897 248**	**12,8%**	**998 610**	**11,3%**
B.L.E.U.	79 566	79 917	0,4%	81 804	2,4%	90 525	10,7%	101 998	12,7%
Denmark	20 280	21 243	4,7%	20 963	-1,3%	23 004	9,7%	24 966	8,5%
Germany	205 047	210 342	2,6%	189 958	-9,7%	208 246	9,6%	222 324	6,8%
Greece	4 704	5 212	10,8%	4 247	-18,5%	4 516	6,3%	4 817	6,7%
Spain	35 152	36 246	3,1%	35 498	-2,1%	42 970	21,0%	49 026	14,1%
France	121 504	125 612	3,4%	113 609	-9,6%	130 142	14,6%	142 591	9,6%
Ireland	15 095	16 814	11,4%	17 609	4,7%	21 059	19,6%	24 490	16,3%
Italy	86 314	84 696	-1,9%	82 566	-2,5%	92 528	12,1%	100 318	8,4%
Netherlands	94 950	94 409	-0,6%	93 052	-1,4%	103 723	11,5%	124 167	19,7%
Austria	22 098	23 104	4,6%	21 844	-5,5%	24 133	10,5%	27 802	15,2%
Portugal	10 743	11 434	6,4%	10 529	-7,9%	12 092	14,8%	13 952	15,4%
Finland	11 911	11 830	-0,7%	11 008	-7,0%	14 576	32,4%	17 905	22,8%
Sweden	26 718	26 398	-1,2%	24 264	-8,1%	30 554	25,9%	36 049	18,0%
United Kingdom	88 451	85 713	-3,1%	88 174	2,9%	99 179	12,5%	108 205	9,1%

Values in millions of ECU

Note : The values of the dispatches of B.L.E.U, Germany and the Netherlands have been adjusted for the years 1991 and 1992 (including the redispatches).

Sources : COMEXT 2 and informations transmitted by the Member States up to 18.06.1996

TABLE 2: QUARTERLY EVOLUTION OF INTRA-EUROPEAN UNION TRADE (EUR 15)

ARRIVALS

	Q4 94	Q1 95		Q2 95		Q3 95		Q4 95	
	Value	Value	95/94	Value	95/94	Value	95/94	Value	95/94
EUR15	**237 908**	**236 234**	**14,9%**	**241 849**	**10,1%**	**222 375**	**9,5%**	**246 223**	**3,5%**
B.L.E.U.	21 116	23 372	18,6%	23 113	12,2%	20 236	8,6%	22 342	5,8%
Denmark	5 890	6 035	24,7%	5 999	16,2%	5 548	12,8%	6 244	6,0%
Germany	51 116	49 154	11,5%	50 573	4,3%	47 390	2,3%	51 335	0,4%
Greece	3 322	3 175	6,8%	3 298	6,8%	3 187	10,1%	3 268	-1,6%
Spain	14 338	13 749	21,9%	15 077	17,8%	13 073	16,7%	14 850	3,6%
France	37 004	37 549	16,3%	37 864	11,3%	34 381	10,1%	38 301	3,5%
Ireland	3 857	3 793	9,6%	3 852	8,1%	3 686	11,3%	4 077	5,7%
Italy	24 668	22 613	8,8%	23 461	5,8%	21 747	16,7%	26 489	7,4%
Netherlands	21 424	22 607	15,9%	23 070	17,3%	20 600	9,1%	23 218	8,4%
Austria	8 336	9 241	23,8%	9 156	14,4%	8 589	17,2%	8 975	7,7%
Portugal	4 869	4 716	21,7%	4 956	20,1%	4 076	6,0%	4 689	-3,7%
Finland	3 998	3 716	38,6%	3 851	25,5%	3 564	22,0%	4 029	0,8%
Sweden	8 978	8 203	15,5%	8 197	9,0%	7 997	15,6%	9 562	6,5%
United Kingdom	28 993	28 312	10,8%	29 381	7,1%	28 302	9,1%	28 843	-0,5%

DISPATCHES

	Q4 94	Q1 95		Q2 95		Q3 95		Q4 95	
	Value	Value	95/94	Value	95/94	Value	95/94	Value	95/94
EUR15	**241 757**	**250 916**	**15,1%**	**254 569**	**12,4%**	**234 680**	**11,3%**	**258 445**	**6,9%**
B.L.E.U.	23 926	27 043	22,8%	26 591	12,9%	23 147	10,1%	25 217	5,4%
Denmark	6 233	6 334	13,5%	6 244	10,6%	6 029	8,8%	6 359	2,0%
Germany	54 286	55 085	9,4%	56 968	7,3%	53 067	5,0%	57 204	5,4%
Greece	1 203	1 270	14,9%	1 230	14,2%	1 152	2,0%	1 164	-3,2%
Spain	12 222	12 263	16,3%	12 816	13,9%	10 856	21,3%	13 090	7,1%
France	35 520	36 243	15,8%	36 760	10,8%	32 606	8,2%	36 982	4,1%
Ireland	5 976	5 924	18,5%	6 006	18,0%	5 804	16,2%	6 756	13,0%
Italy	24 844	23 250	3,3%	25 181	7,2%	24 865	14,7%	27 022	8,8%
Netherlands	27 780	31 410	22,6%	31 834	24,7%	29 364	18,4%	31 558	13,6%
Austria	6 428	6 917	20,1%	7 270	19,7%	6 376	8,6%	7 239	12,6%
Portugal	3 256	3 656	24,6%	3 476	17,6%	3 272	11,1%	3 547	8,9%
Finland	4 208	4 289	28,9%	4 762	30,6%	4 248	25,2%	4 606	9,4%
Sweden	8 683	9 184	24,0%	9 130	19,3%	8 228	20,7%	9 507	9,5%
United Kingdom	27 191	28 047	14,1%	26 300	8,0%	25 664	11,4%	28 194	3,7%

Values in millions of ECU

Sources : COMEXT 2 and informations transmitted by the Member States up to 18.06.1996

TABLE 3: STRUCTURE OF INTRA-EUROPEAN UNION TRADE (EUR 15)
BY PRINCIPAL PRODUCT GROUPS - YEAR 1995 -

ARRIVALS

REPORTING COUNTRIES	*Foods, beverages, tabacco SITC 0+1*		*Raw materials SITC 2+4*		*Fuel products SITC 3*		*Chemicals SITC 5*		*Machinery, transport equipment SITC 7*		*Others manufactured goods SITC 6+8*		*Others SITC9 + adjustments*	
	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94
B.L.E.U.	9 799	11,3%	3 776	13,4%	5 030	4,0%	13 184	18,6%	23 483	13,0%	25 684	10,4%	8 108	2,3%
Denmark	2 090	10,6%	962	3,8%	333	-20,5%	3 015	13,5%	7 969	21,5%	7 422	11,5%	2 036	19,4%
Germany	22 262	2,1%	7 984	2,3%	8 708	-1,2%	22 326	9,8%	69 141	4,2%	58 491	2,6%	9 540	20,8%
Greece	2 462	5,6%	324	-2,4%	103	1,3%	1 986	10,7%	3 758	3,0%	4 256	5,9%	38	-22,7%
Spain	5 795	5,4%	2 539	23,8%	805	13,4%	8 141	17,0%	23 756	14,5%	15 480	15,0%	233	23,9%
France	15 976	4,5%	4 551	10,8%	3 827	4,5%	19 774	12,7%	57 324	10,2%	46 535	11,1%	107	105,9%
Ireland	1 694	-0,3%	339	-2,2%	472	5,6%	2 213	7,2%	4 513	11,7%	4 247	6,7%	1 930	19,7%
Italy	12 314	-0,2%	6 166	0,5%	1 221	-11,1%	14 900	9,6%	34 055	14,4%	24 564	12,0%	1 090	-4,2%
Netherlands	9 618	0,7%	3 163	3,4%	2 252	-2,0%	11 733	6,7%	24 715	8,7%	22 813	1,1%	15 202	83,3%
Austria														
Portugal	1 973	2,7%	567	20,5%	416	39,8%	2 244	16,6%	6 867	6,8%	6 244	12,2%	126	16,1%
Finland	820		640		617		2 052		6 563		3 997		471	
Sweden	1 867		1 016		990		4 030		13 738		9 567		2 752	
United Kingdom	11 583	-0,6%	3 450	-4,5%	1 507	-14,2%	15 157	11,7%	45 857	3,4%	29 647	0,5%	7 639	119,7%

DISPATCHES

REPORTING COUNTRIES	*Foods, beverages, tabacco SITC 0+1*		*Raw materials SITC 2+4*		*Fuel products SITC 3*		*Chemicals SITC 5*		*Machinery, transport equipment SITC 7*		*Others manufactured goods SITC 6+8*		*Others SITC9 + adjustments*	
	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94	Value	Evolution 95/94
B.L.E.U.	11 634	10,0%	3 024	17,2%	2 474	-0,4%	17 801	16,8%	28 317	6,8%	33 401	14,8%	5 347	31,9%
Denmark	5 887	3,8%	1 134	2,5%	825	-12,0%	2 084	21,0%	5 199	17,0%	6 883	12,0%	2 954	-0,6%
Germany	12 489	-0,2%	5 929	6,1%	2 064	-15,8%	30 078	9,3%	102 906	8,4%	61 097	5,6%	7 763	4,6%
Greece	1 136	-1,4%	722	36,2%	60	-46,6%	178	26,9%	263	27,6%	2 316	2,0%	141	35,2%
Spain	7 275	9,2%	1 623	1,3%	639	-5,4%	4 026	23,3%	22 070	13,1%	13 200	19,7%	191	-14,0%
France	21 731	6,3%	4 746	7,2%	3 304	12,0%	20 114	15,3%	54 700	7,9%	37 617	11,3%	380	2,0%
Ireland	4 914	7,0%	565	2,6%	133	4,3%	4 175	11,7%	8 156	31,0%	4 828	0,9%	1 719	64,9%
Italy	7 429	3,2%	1 415	23,8%	503	-8,0%	7 930	14,0%	35 935	12,1%	46 293	5,5%	813	13,2%
Netherlands	20 337	-0,3%	6 612	-3,2%	9 210	-0,1%	18 484	12,2%	28 614	23,9%	25 477	11,1%	15 432	223,8%
Austria														
Portugal	832	11,9%	897	23,8%	264	-22,7%	680	17,9%	3 956	45,0%	7 322	4,9%	2	168,1%
Finland	234		1 783		312		730		5 183		8 603		1 061	
Sweden	705		3 737		965		3 163		12 963		12 363		2 153	
United Kingdom	7 769	1,1%	2 248	1,9%	7 008	3,9%	14 682	2,5%	42 858	10,4%	27 670	2,8%	5 971	139,8%

Values in millions of ECU
Source : COMEXT2 on 18.06.1996

TABLE 4: STRUCTURE OF INTRA-EUROPEAN UNION TRADE (EUR 15)
BY PARTNER COUNTRIES - YEAR 1995 -

ARRIVALS

REPORTING COUNTRIES	PARTNER COUNTRIES													
	B.L.E.U.	*Denmark*	*Germany*	*Greece*	*Spain*	*France*	*Ireland*	*Italy*	*Netherlands*	*Austria*	*Portugal*	*Finland*	*Sweden*	*United Kingdom*	*TOTAL*
B.L.E.U.	-	0,8%	28,0%	0,2%	2,3%	20,7%	1,6%	5,7%	23,1%	0,8%	0,6%	1,1%	3,5%	11,6%	100,0%
Denmark	5,2%	-	32,3%	0,2%	1,7%	7,7%	1,5%	6,2%	10,5%	1,4%	1,6%	4,2%	17,5%	9,9%	100,0%
Germany	12,9%	3,3%	-	0,8%	5,2%	19,0%	2,1%	14,1%	18,7%	6,5%	1,7%	1,7%	3,3%	10,7%	100,0%
Greece	5,3%	2,1%	24,4%	-	5,0%	12,1%	1,6%	24,9%	10,2%	1,5%	0,5%	1,2%	2,1%	9,2%	100,0%
Spain	5,7%	1,2%	23,3%	0,5%	-	26,1%	1,6%	13,5%	7,3%	1,3%	4,4%	1,3%	1,9%	11,9%	100,0%
France	15,5%	1,4%	28,8%	0,3%	9,6%	-	2,0%	14,5%	10,0%	1,1%	1,6%	0,9%	2,0%	12,2%	100,0%
Ireland	2,5%	1,2%	11,3%	0,1%	1,5%	5,9%	-	2,9%	5,1%	0,3%	0,4%	0,9%	1,6%	66,3%	100,0%
Italy	7,9%	1,5%	31,6%	1,2%	6,5%	22,9%	1,5%	-	9,1%	3,8%	0,7%	1,0%	2,3%	10,0%	100,0%
Netherlands	17,8%	1,7%	35,3%	0,2%	2,9%	11,2%	2,1%	5,4%	-	1,3%	0,9%	1,6%	4,2%	15,3%	100,0%
Austria	3,4%	1,0%	63,7%	0,3%	1,1%	6,3%	0,4%	11,6%	6,1%	-	0,4%	0,8%	1,8%	3,3%	100,0%
Portugal	4,6%	1,1%	19,5%	0,2%	28,1%	16,1%	0,8%	11,4%	6,1%	0,8%	-	0,8%	1,7%	9,0%	100,0%
Finland	4,4%	7,1%	23,9%	0,4%	3,2%	7,4%	1,2%	5,5%	8,4%	1,7%	1,2%	-	23,0%	12,8%	100,0%
Sweden	5,6%	10,8%	30,2%	0,3%	1,7%	8,2%	2,1%	5,0%	9,5%	1,8%	1,2%	9,1%	-	14,6%	100,0%
United Kingdom	8,6%	2,3%	28,0%	0,5%	4,6%	17,5%	7,5%	8,8%	12,2%	1,0%	1,6%	2,7%	4,8%	-	100,0%

DISPATCHES

REPORTING COUNTRIES	PARTNER COUNTRIES													
	B.L.E.U.	*Denmark*	*Germany*	*Greece*	*Spain*	*France*	*Ireland*	*Italy*	*Netherlands*	*Austria*	*Portugal*	*Finland*	*Sweden*	*United Kingdom*	*TOTAL*
B.L.E.U.	-	1,3%	28,7%	0,7%	3,8%	24,6%	0,5%	7,3%	17,6%	1,4%	1,0%	0,8%	1,9%	10,6%	100,0%
Denmark	3,3%	-	35,8%	1,1%	3,0%	8,8%	0,8%	6,0%	7,0%	1,6%	1,1%	3,9%	15,0%	12,5%	100,0%
Germany	11,3%	3,3%	-	1,3%	5,9%	20,4%	0,8%	13,2%	13,0%	9,5%	1,6%	1,6%	4,2%	14,0%	100,0%
Greece	3,2%	1,3%	36,6%	-	5,6%	9,1%	0,5%	23,0%	4,5%	2,3%	1,0%	1,0%	1,9%	10,2%	100,0%
Spain	4,2%	1,0%	21,3%	1,4%	-	28,7%	0,5%	12,7%	4,7%	1,1%	11,6%	0,5%	1,3%	11,0%	100,0%
France	13,3%	1,4%	27,6%	1,2%	11,5%	-	0,8%	15,6%	7,1%	1,8%	2,2%	0,6%	2,0%	14,8%	100,0%
Ireland	6,0%	1,7%	20,0%	0,8%	3,3%	13,1%	-	5,2%	9,7%	0,8%	0,5%	0,8%	2,5%	35,3%	100,0%
Italy	5,1%	1,5%	32,9%	3,3%	8,5%	22,8%	0,7%	-	5,2%	4,2%	2,4%	0,8%	1,7%	10,9%	100,0%
Netherlands	16,9%	2,1%	35,8%	1,2%	3,6%	13,9%	0,8%	7,0%	-	1,9%	1,0%	1,0%	2,6%	12,2%	100,0%
Austria	2,8%	1,1%	59,6%	0,8%	3,0%	6,5%	0,3%	12,6%	4,3%	-	0,5%	0,9%	2,3%	5,2%	100,0%
Portugal	3,8%	2,8%	27,0%	0,5%	18,4%	17,5%	0,5%	4,1%	6,6%	1,3%	-	1,1%	2,7%	13,7%	100,0%
Finland	5,1%	5,5%	23,1%	0,9%	4,8%	8,6%	0,9%	4,9%	7,4%	1,8%	0,9%	-	17,9%	18,3%	100,0%
Sweden	7,8%	11,3%	22,4%	0,7%	3,4%	9,0%	1,0%	6,5%	9,8%	2,1%	0,8%	8,4%	-	16,6%	100,0%
United Kingdom	9,3%	2,4%	22,6%	1,2%	6,8%	17,1%	8,7%	8,8%	13,8%	1,3%	1,6%	1,9%	4,6%	-	100,0%

Sources : COMEXT 2 and informations transmitted by the Member States up to 18.06.1996

STATUS OF DATA SENT TO EUROSTAT ON 10 JUNE 1996

❶ **Intra + Extra:**

✓ Detailed data (CN8 data)

❷ **Intra / Extra:**

■ Detailed data (CN8 data)

● Global data with breakdown by partner country

○ Global data without breakdown by partner country

PERIOD		Eur.15	BLEU	DK	D	GR	E	F	IRL	I	NL	Ö	P	FIN	SW	UK
	January	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
	February	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
	March	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
	April	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
1	May	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
9	June	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
9	July	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
5	August	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
	September	●/■	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/■	✓	✓	✓	✓
	October	●/○	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/○	✓	✓	✓	✓
	November	●/○	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/○	✓	✓	✓	✓
	December	●/○	✓	✓	✓	✓	✓	✓	✓	✓	✓	●/○	✓	✓	✓	✓

PERIODE		Eur.15	BLEU	DK	D	GR	E	F	IRL	I	NL	Ö	P	FIN	SW	UK
	January		-/■		✓		✓		-/■	✓	✓		✓			✓
1	February		-/■				✓			✓	✓		✓			✓
9	March		-/■				✓			-/■	●/-					-/■
9	April															-/■
6	May															
	June															

❖ ❖ ❖ ❖ ❖

SIMPLIFICATION OF THE INTRASTAT LEGISLATION

Within the framework of the broad political consensus emerging for simplification of the legislation concerning the Internal market, a "pilot scheme" of simplification has been launched the guidelines of which are as follows:

- ***simplification would be centred on some sectors, in order that progress is fast and visible;***
- ***studies would be undertaken by restricted teams made up of Commission representatives, Member States and users, in particular SMES;***
- ***a management report should be ready for the Council at the end of 1996.***

Intrastat appears among the four sectors included in the project, named SLIM (Simpler Legislation for the Internal Market).

Eurostat will base its work on the results of the opinion polls to the providers and users of Intrastat data, as well as on the conclusions of the Intrastat II seminar organized in March in Luxembourg, to make specific proposals for short-term simplification and to study other possible adaptations of the system, in view of the development of the needs for information on intra-Community trade.

The main points regarding simplification are as follows:

RECOMMENDATION THAT THE PROVISION OF DATA ON NET MASS SHOULD BE OPTIONAL FOR CERTAIN CN SUBHEADINGS

This would make things easier for respondents, who would no longer be obliged to provide these data for subheadings for which they are not very pertinent and/or for which they are difficult to establish (e.g. in the case of electronic components). The measure would obviously have no more than a marginal effect, however, in view of the limited number of subheadings in question and the fact that a declaration of the quantity (pieces or units other than kg) remains obligatory. But this initiative is a response to very strong criticism on the part of the operators concerned.

ADJUSTMENT OF THE DEADLINE FOR THE TRANSMISSION OF RETURNS

National statistical services in the countries where statistical declarations are separate from fiscal declarations are obliged under the terms of Regulation (EEC) N 3046/92 of the Commission (laying down rules for the application of the Intrastat system) to fix the deadline for transmission of returns between the 5th and 10th days following the end of the reference period (Art. 9). It is proposed that this provision should be done away with, so as to enable the Member States to extend the deadline in question.

SIMPLIFICATION OF THE RESPONDENT'S STATEMENT OF VALUE

In every Member State apart from the UK the persons who have to to supply the data must all provide an indication of statistical value. This corresponds to a "frontier" value which satisfies their statistical requirements (in line with their BOP and NA concepts) but is not in line with commercial practice. Hence the problems faced by businesses which are obliged to obtain their statistical values by a process of conversion of the invoiced values at their disposal. We propose to the providers of information for the fiscal value or the invoice value, in combination with Incoterms, should be generally adopted and that the implementing regulation should be modified (Art. 12). This modification would enable the Member States to discontinue the collection of statistical value while at the same time maintaining the concept of statistical value for these data (for the purposes of ex post calculation by the national statistical services).

PROPOSED CESSATION OF THE COLLECTION OF "MODE OF TRANSPORT" DATA

The division of labour in the domain of international trade is so highly developed that the businesses engaged in importing and exporting activities are frequently unaware of the mode of transport of the goods in question and therefore find it difficult to answer the statisticians' questions on that subject. Hence the limited quality of the information provided under that heading. The information which is undeniably needed for the purposes of transport policy (DG VII) should be collected from the operators who have them at their fingertips, i.e. the transport companies. Transport statistics can therefore meet the users' needs more fully and more cheaply than trade statistics. This measure necessitates a modification of the basic Regulation.

MODERNIZATION OF THE COLLECTION SYSTEM

The administrative workload on businesses can certainly be significantly reduced by greater reliance on EDP techniques. Eurostat is making a major effort to encourage the computerization of the Member States' collection systems and has carried out a series of successful actions on this front including the introduction of the IDEP system. There is still enormous scope for rationalization, in view of the fact that paper is still used to a considerable extent in a large number of countries.

SIMPLIFICATION OF THE COMBINED NOMENCLATURE

This is one of the most controversial simplifications, and it is difficult to see any progress in the short term. Eurostat's initiatives on this front have not made any headway. It is clear that political pressure is needed to get things moving in the right direction. Three courses of action are possible:

- Elimination of the subheadings for restricted trade.
- Aggregation of the subheadings relating to specific destinations.
- Restructuring of the Combined Nomenclature.

This last proposal is to relegate the tariff subheadings to the 9th and 10th digit levels of the product code. A nomenclature from which several thousand subheadings were removed in this way could be used for extra- and intra-Community trade without requiring a tariff breakdown for the latter (because it would simply not serve a useful purpose). This solution is favoured by several professional federations.

PROPOSED ADOPTION OF A "SINGLE FLOW" SYSTEM

This simplifying measure, which is certainly the most radical, would greatly reduce the burden on businesses. Of the 430 000 businesses currently obliged to provide Intrastat data, only 20% (84 000) would not benefit from this measure. Some 200 000 businesses would be exempt from the Intrastat system, and the rest would be able to restrict their returns to data on dispatches. Eurostat has established a study group to carry out an in-depth examination of the impact of this approach on the availability and quality of the data and the conditions which need to be satisfied before such a system is introduced. For this project with direct implications for the autonomy of the national services, there is little prospect of a rapid solution.

CONCLUSION

The simplifying measures proposed in this paper are notable on the one hand for the extent to which they will help to reduce the burden on enterprises and on the other hand, for the problems that can be expected to arise in getting them accepted in spite of the divergent interests of the suppliers and users of the statistics in question. For the first five measures, rapid action can be launched (e.g. via the modification of the existing legislation); the last two measures can only be envisaged in a medium-term timeframe.

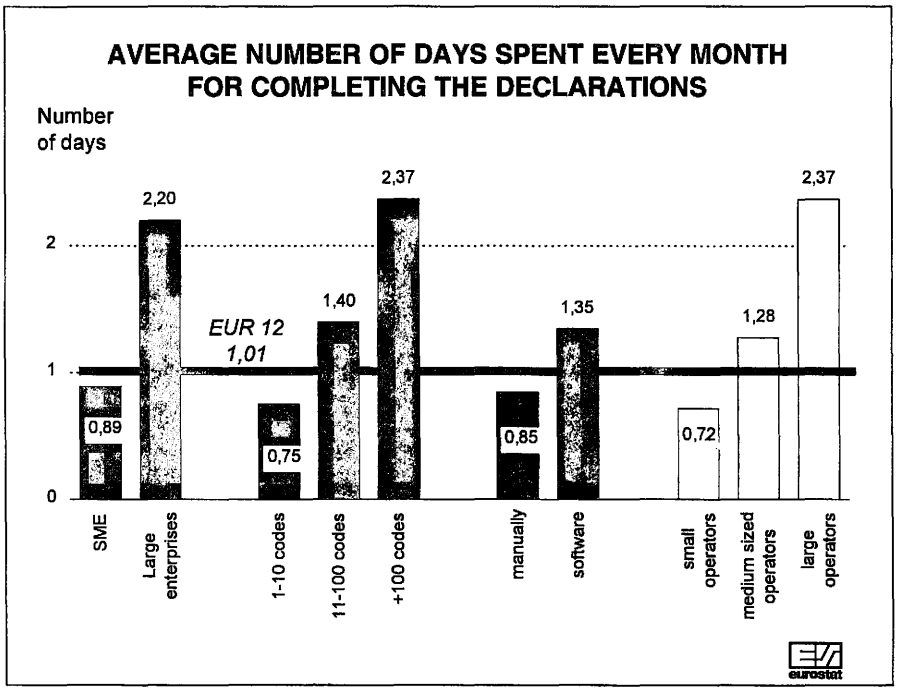
INTRASTAT OPINION POLLS
MAIN RESULTS

The Intrastat system for the collection of intra-European Community trade statistics was introduced in 1993. Three years after its introduction, Eurostat and the national administrations responsible for these statistics have felt the need to carry out a first global evaluation of the system based on an opinion poll. The objectives are multifaceted; to gain a greater understanding of the burden that Intrastat represents for enterprises; to address the needs of the users; to understand better the perception of the functioning of the system by its different actors, and to suggest ideas for possible improvements in the future.

In view of this, two Surveys have been conducted in parallel. The first was carried out with the providers of statistical information. This covered a different population of enterprises in each country in line with the different thresholds of statistical obligation. The second Survey was conducted with users of Intrastat which have been identified either by the competent national administrations or by Eurostat. These include enterprises, professional associations, national, foreign or international administrations, European Community users, research institutes or universities, journalists, political organisations or trade unions and others.

Between May 1995 and January 1996, a total of 4700 providers and 1959 users were interviewed in the twelve countries which were Members of the European Union in 1993 when the Intrastat system was introduced. The information was collected either by telephone interview or a self-completed mail questionnaire. Co-ordination of the two Surveys have been carried out jointly by Network and Eurostat.

I. WHO ARE THE PROVIDERS AND HOW DO THEY WORK?



The providers of statistical information are mainly small and medium sized enterprises. Two-thirds of enterprises have a turnover below 6 million ecus and three quarters less than 50 employees. While enterprises belong to all economic sectors, wholesale or retail trade is predominant, accounting for roughly a third of all providers. The majority of providers have trade of less than one million ecus for one or the other flow.

The statistical declaration of intra-EU trade is mostly done internally by companies with 90% of providers completing it themselves. This is an important development compared to the practice prior to 1993 where the proportion amounted to roughly two-thirds. An average of one man-day is required for the preparation of this declaration. It is most commonly carried out manually, but the use of software is reasonably developed for certain countries, particularly in the Netherlands and Belgium and for the larger enterprises in general. The software developed in the context of the EDICOM programme is still not widely used. In four out of five cases, the declarations are transmitted on paper. It

should be noted that this proportion is even higher than that of enterprises which fill in their declaration manually.

The providers use few codes of the Combined Nomenclature, regardless of whether this is for dispatches or arrivals. For three quarters of the enterprises which fulfil their statistical obligation, fewer than 10 codes are used.

II. WHO ARE THE USERS AND HOW DO THEY WORK?

Enterprises account for the majority of the users questioned, and slightly more than 10% of users belongs to a professional association. This clearly shows the importance of these statistics for the business sector. One should note the importance of German and British users in the sample, representing nearly 40% of the population interviewed.

For roughly half the users, statistics provided by the Intrastat system is the only information source for intra-EU trade. Journalists, political organisations or trade unions and research institutes or universities are the most frequent users of other data sources - mainly statistics produced by professional associations and production statistics.

Intrastat data are intended for market studies in 60% of all cases. Enterprises, professional associations and chambers of commerce use the data primarily for this purpose, while the other users place a greater importance on macro-economic approaches.

The level of detail most widely used is by product (more than three quarters of all users), in particular according to the Combined Nomenclature, and very often a maximum of 10 codes. The concentration on few codes is by enterprises, while European Community users and research institutes are interested in more codes.

Product detail mainly interests German, Italian and British users on the one hand and enterprises, professional associations, political organisations and trade unions and European Community users on the other.

Users are also interested in country detail which gives them information on foreign markets for the supply as well as the demand side. Those which are most interested in this type of criteria are Spanish, French and Italian users on the one hand and chambers of commerce, research institutes and universities, journalists and European Community users on the other.

LEVEL(S) OF DATA USED IN INTRA-EU TRADE

Percentages

	National Administr.	EC Administr	Companies	Prof.associat.	Chambers of commerce	Research Institutes Universities	Journa-lists	Foreign & Internat. administr.	Political Organis. / Trade unions	Others	EUR 12
Basis	*150*	*39*	*1115*	*227*	*82*	*64*	*67*	*90*	*52*	*73*	*1959*
AT TOTAL LEVEL	44	59	19	26	46	31	60	43	48	38	28
BY PRODUCT :	83	87	76	84	81	80	48	78	73	73	77
Combined Nomenclature (CN)	47	72	66	72	46	56	27	40	62	58	
Harmonised System (HS)	16	36	7	12	28	13	8	38	12	15	12
Standard International Trade Classification (SITC)	18	28	6	8	13	17	10	21	14	21	10
Other nomenclatures	37	23	3	7	29	23	12	18	10	6	10
BY PARTNER COUNTRY	58	87	43	52	63	63	69	60	60	52	50
BY COUNTRY OF ORIGIN	45	80	59	56	43	45	54	54	40	49	56
BY MODE OF TRANSPORT	11	15	4	1	9	8	8	2	10	8	5
BY VALUE	74	77	52	61	70	63	55	67	56	58	57
BY NET MASS	57	56	46	49	50	45	21	37	37	38	46
BY SUPPLEMENTARY UNITS	21	44	18	30	30	22	13	16	14	16	20

III. EVALUATION ON THE BURDEN CAUSED BY INTRASTAT

One of the main objectives of the Opinion Poll of providers is to evaluate the burden that the statistical obligation represents for them, and to assess the extent to which this burden is manageable. Several evaluation criteria have been addressed in the Survey including the perception of the internal cost of Intrastat, the support provided by the competent national administrations, the difficulties encountered and the perception of the utility of Intrastat.

Internal cost of Intrastat.

While the introduction of Intrastat could have represented an increase in the burden for providers, the view now is that this system has resulted in a reduction of costs. Some 37% are of this opinion against 20% holding the opposite. This assessment is particularly clear for Greek, Spanish and Portuguese providers. In the United Kingdom, however, the view is the opposite; providers tend to think that the Intrastat system has led to an increase in costs, even excluding development costs.

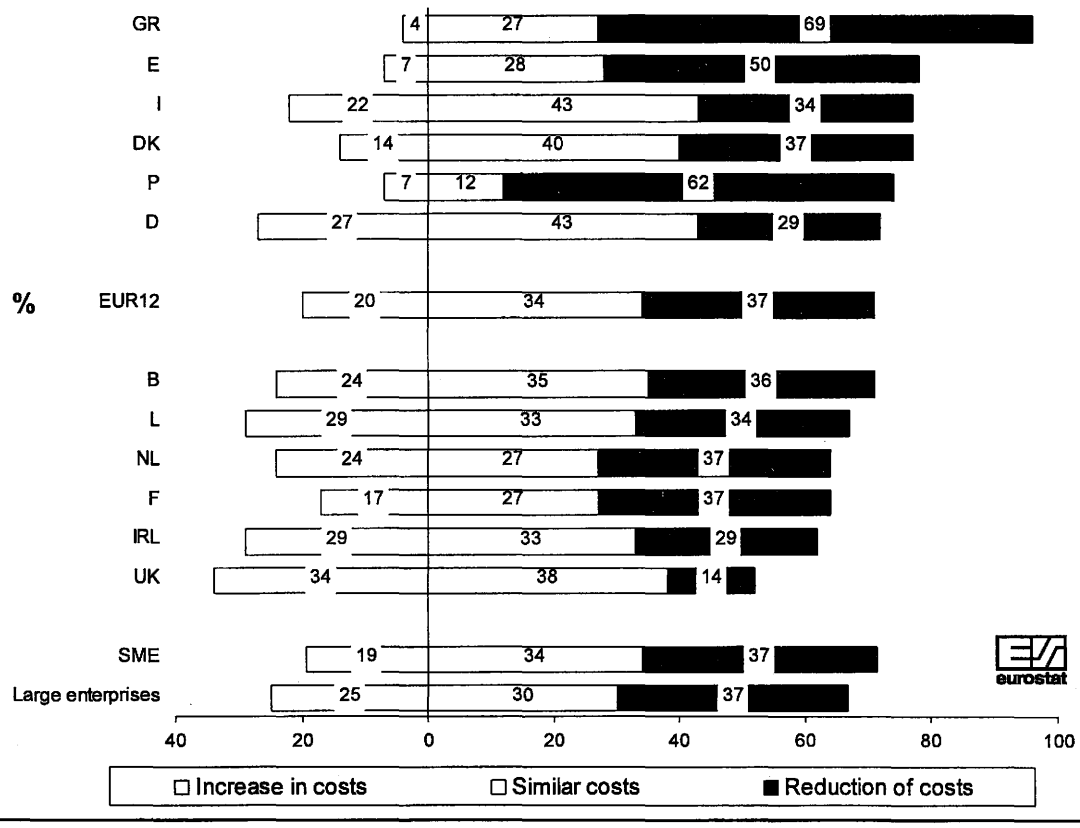
Support provided by national authorities.

The competent national authorities are the main source of information on Intrastat. This is to be expected as the providers transmit Intrastat data to the authorities which thus view it as an information and support system.

A large number of providers (one out of two) contact them to inform them of the difficulties they face in completing their declaration. This proportion is significantly higher in Greece, Ireland, Luxembourg, Portugal and the U.K.

Problems resulting in requests are mainly derived from the overall declaration and the difficulty in classifying goods - and in certain countries the determination of the value and the link with the fiscal system. It is possible that most of these problems and the resulting contacts with the competent national administration mainly come from the introduction of the Intrastat system. Finally, and this should be underlined, the assistance received from the national administration is considered to be sufficient by most of the providers.

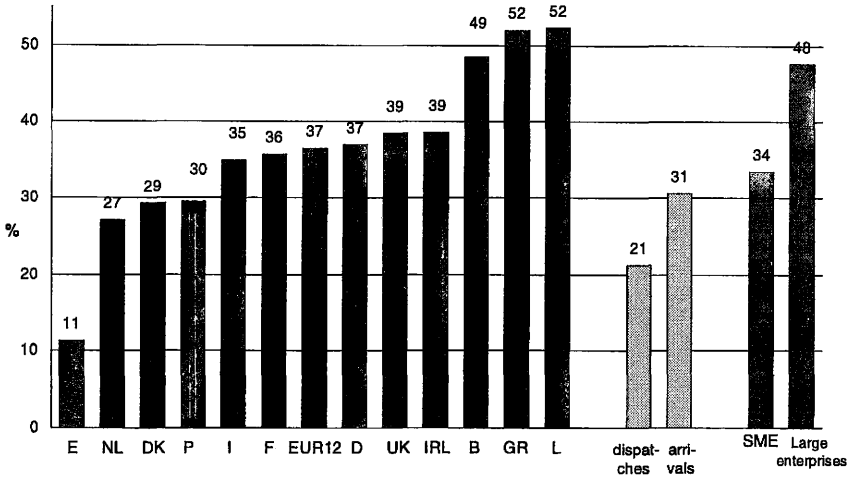
ESTIMATE OF INTRASTAT COSTS IN COMPARISON WITH THE PAST



Specific difficulties.

One out of three providers currently encounters problems in completing the declaration, mainly for arrival flows. Problems are the most frequently cited in Belgium, Greece and Luxembourg (roughly half of the providers) and least frequently in Spain and the Netherlands. The difficulties mentioned the most frequently are the search for the nomenclature code as well as the assessment of statistical value and net mass.

PERCENTAGE OF THE PROVIDERS CURRENTLY FACING PROBLEMS IN FILLING IN THE INTRASTAT DECLARATIONS



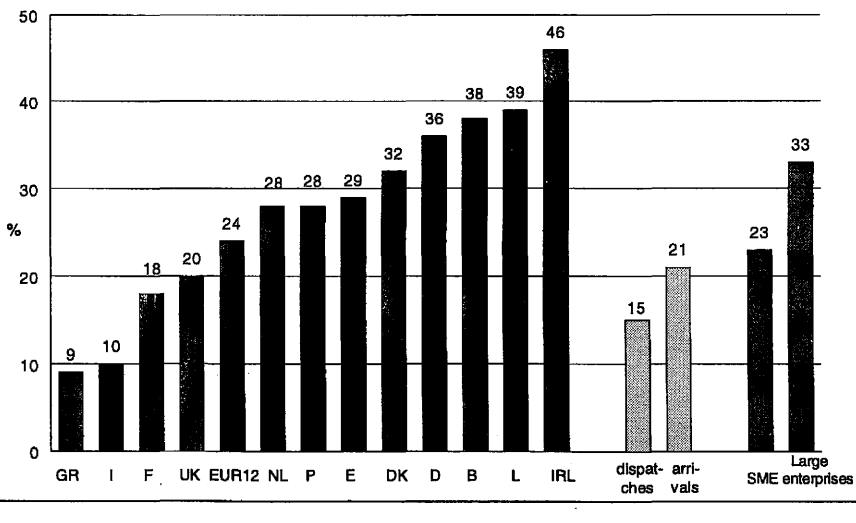
NATURE OF THE PROBLEMS ENCOUNTERED IN FILLING IN THE INTRASTAT DECLARATION

All mentions, In percentages

	Arrivals	Dispatches	Arrivals or Dispatches
Weighted basis	4700	4700	4700
Commodity code	20	11	23
Statistical value	14	10	16
Net mass	11	6	13
Supplementary units	6	3	7
Nature of transaction	4	3	5
Mode of transport	3	2	4
Delivery terms	4	2	4
Invoiced amount	3	2	4
Statistical procedure	5	3	4
Country of origine	3	-	3
Country of destination / consignment	2	2	3

Finally, it should also be mentioned that apart from the data per se, the greatest difficulty experienced by providers is due to the delays associated with the delivery of the declarations - a quarter of all enterprises in the 12 countries, but nearly half in Ireland and at least a third in Belgium, Germany and Luxembourg.

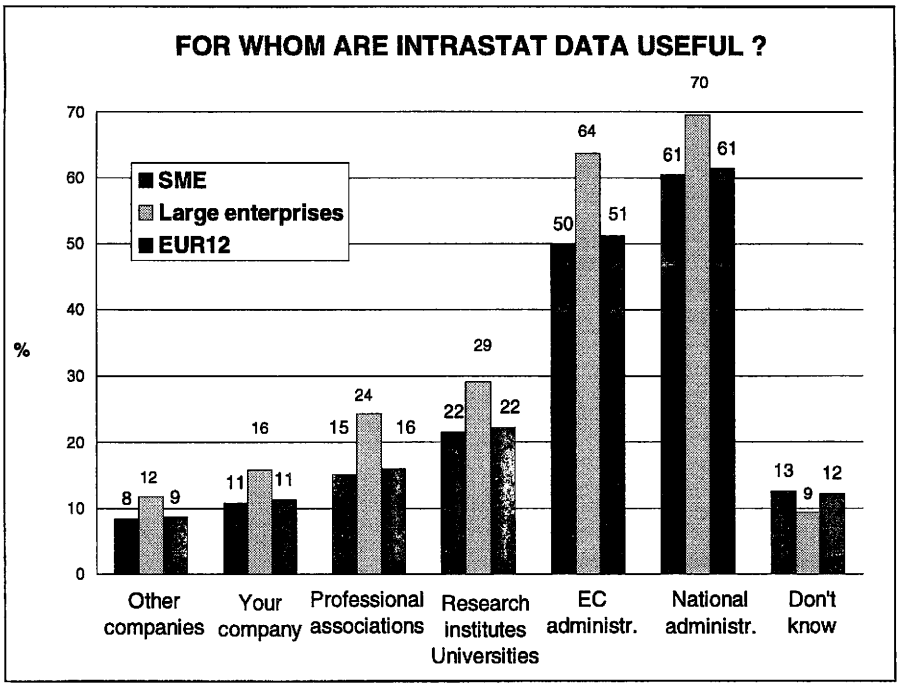
PERCENTAGE OF THE PROVIDERS ENCOUNTERING DIFFICULTIES IN MEETING THE DEADLINE FOR INTRASTAT DECLARATIONS



The perceived utility of the Intrastat system.

Despite the real difficulties in the preparation of the declarations, the providers have a more positive evaluation of the Intrastat system, even though it seems that the advantages partly escape them. Thus, only a small minority think that enterprises can use Intrastat data - for the majority of providers, the users of the system are seen as above all the national or European administrations.

In addition, close to half of the providers wish to obtain international trade statistics in its own sector of activity from the national administration. In fact, it appears that providers clearly see the utility that data such as that produced by Intrastat represents without seeing that they themselves can receive these statistics. This lack of understanding is related to the organisation of the collection and dissemination of data, and not to the benefit of these statistics.



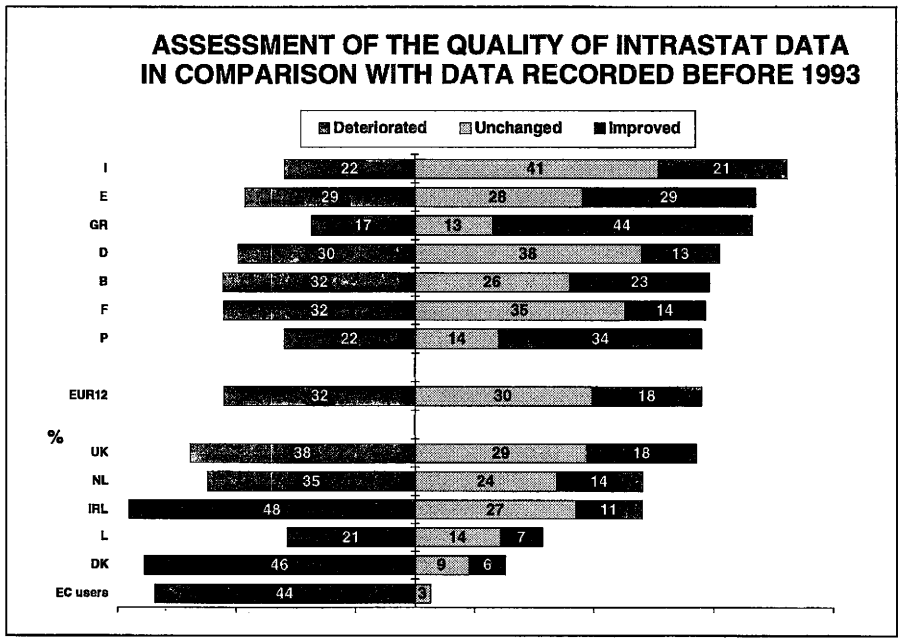
IV. EVALUATION OF THE QUALITY OF THE DATA AND THE SERVICE BY USERS

The evaluation of the quality of the Intrastat data has been carried out on the basis of several comparisons:

- between pre-1993 data and data dating from the inception of the Intrastat system;
- with other data sources;
- according the exercise of "mirror" statistics.

Compared to statistics from customs sources before 1993, Intrastat users tend to view that the quality of the data has worsened. This view is particularly pronounced among Danish, French, Irish, Dutch and British users as well as professional associations. Compared to the introduction period of the Intrastat system, the evaluation is more favourable; a slight majority of users view that the quality of the data has improved. This is clear for example among the Spanish, Portuguese and British users on one hand and the chambers of commerce, universities, journalists and foreign administrations on the other. A comparison over time is thus more mixed - a deterioration compared to the previous system, but an improvement by comparison with the introduction phase of the Intrastat system.

Slightly more than half of the users make use of other data sources. Among these, the majority consider that the quality of the Intrastat data is equivalent to that of other sources. A strong minority (22%) however views the Intrastat data to be inferior while the view that the data is better is held



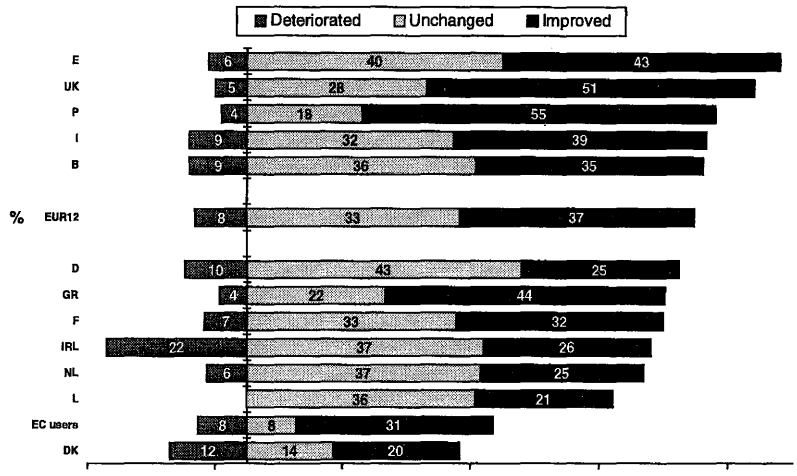
by fewer respondents (17%). It is among the professional associations which are themselves producers of data that the views are more negative. Thus, views on the quality of the Intrastat system compared to other data sources is broadly balanced.

Another point of comparison is by the "mirror" statistics. Four out of ten users carry out this type of comparison between the dispatches of a Member States and the arrivals at the Member State of destination. A rather unfavourable opinion emerges on the results of Intrastat. Only the Spanish, Italian and Portuguese users conclude that results are of sufficient quality following this type of comparison. Belgium and Dutch users express a more negative view which is shared by professional associations, national administrations and European Community users.

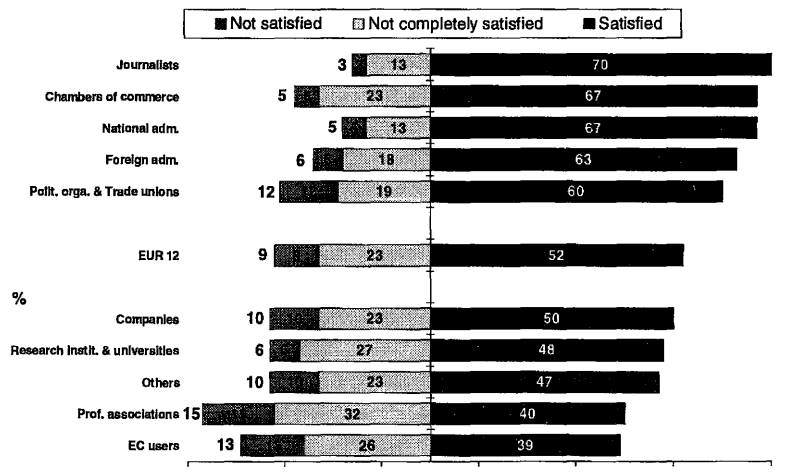
Contrary to what the preceding comparisons might suggest, the quality and accuracy of the data is overall judged as good, particularly for the total value of dispatches and arrivals as well as the detailed results by country. However, roughly a third of the users are dissatisfied with these three areas. Finally, although a large number of users are not in a position to pronounce themselves on this issue, it seems that the opinions are similar as regards the detail of results by nomenclature (e.g. for the Combined Nomenclature, 38% are satisfied and 27% dissatisfied).

Dissatisfaction prevails for delays relating to the availability of the data, regardless of whether this is at global (42% are dissatisfied) or at detailed level (53% are dissatisfied).

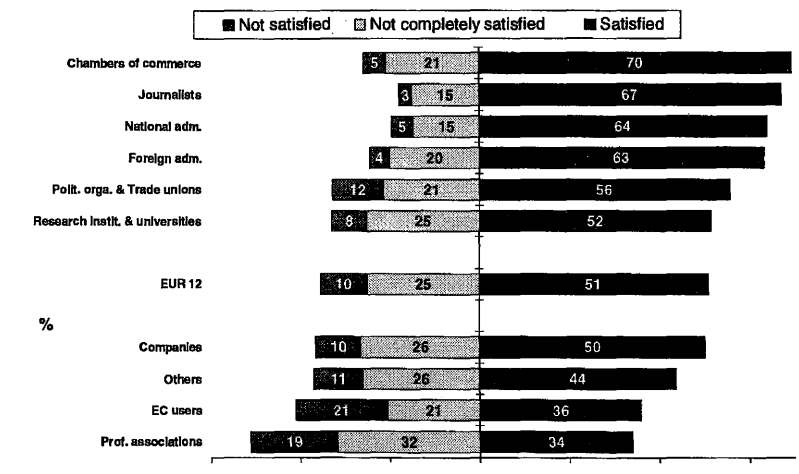
ASSESSMENT OF THE QUALITY OF INTRASTAT DATA IN COMPARISON WITH DATA FROM THE INTRODUCTION OF THE SYSTEM



ASSESSMENT OF THE QUALITY OF DISPATCHES



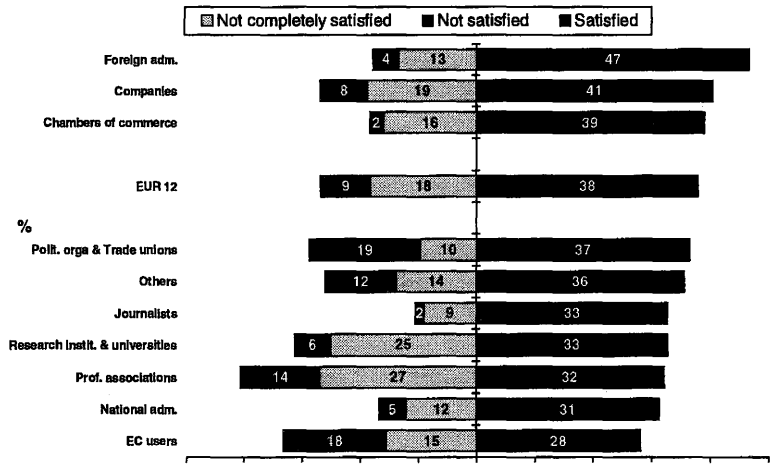
ASSESSMENT OF THE QUALITY OF ARRIVALS



Those which are most satisfied with the quality and the accuracy of the data are the French and Italian users on the one hand and the chambers of commerce, journalists and national and international administrations on the other. The least satisfied are the Danish, Irish and European Community users and professional associations.

In summary, what emerges from the evaluation of Intrastat data is a more positive judgement on the quality and accuracy of the data itself, but with more negative views when Intrastat is judged by comparison with other statistical data sources.

ASSESSMENT OF THE QUALITY OF THE RESULTS FOLLOWING THE COMBINED NOMENCLATURE



V. WAYS FOR IMPROVEMENT

The main interest of the Survey is the comparison of two points of view, those of providers which are generally keen to reduce the statistical burden and those of users which tend to look for improvement in the quality and accuracy of the data. The two points of view may seem contradictory, and the objective of the study is to search for possibilities of improvement which meet the concerns of both groups.

From the side of providers, four proposals are given support - to simplify the nomenclature (mentioned by a third of respondents), to increase the response delay and to reduce the amount of information requested (both supported by more than a quarter of respondents) and to raise the thresholds of statistical obligation (which is quoted by a quarter of providers). The other proposition receiving less approval included the change in the periodicity of the declarations which is supported by only a fifth of providers. The other proposals including the collection of only dispatches received even less support. Taking the first four proposals and looking at them from the point of view of users, the issues become much clearer.

ASSESSMENT OF THE PROPOSED MODIFICATIONS AND AMENDMENTS
All mentions
In percentages

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK	EUR12
Weighted basis	*476*	*195*	*892*	*208*	*425*	*505*	*211*	*425*	*216*	*420*	*222*	*505*	*4700*
Adopt a simplified nomenclature	41	23	19	33	36	50	24	40	47	32	35	31	35
Reduce the number of data elements required	28	22	28	19	27	34	29	32	31	39	19	27	29
Increase time given to reply	35	27	35	12	50	31	33	13	21	25	34	36	29
Raise the thresholds level	41	26	23	12	32	31	37	na	32	41	17	38	25
Change periodicity of declarations	12	18	14	7	38	20	14	16	23	18	18	34	20
Collect dispatches only	22	29	31	6	4	22	10	11	23	20	7	18	18
Combine Intrastat and fiscal declarations	17	21	19	20	32	na	7	na	13	35	28	27	16
Greater harmonisation of application rules between Member States	13	4	17	8	13	18	3	12	14	10	6	6	12
Develop automation	8	5	16	10	14	13	8	5	13	10	19	9	11
Conduct Intrastat through sample surveys	7	8	9	9	6	6	14	3	8	14	4	15	8
No change	10	13	19	36	1	37	20	26	16	22	54	11	23

A large minority of users are against the simplification of the nomenclature. No matter how the simplification is envisaged (transition to a nomenclature of six, four or two digits), 30 to 40% of users are unfavourable to this idea. The transition to a Prodcom nomenclature raises less opposition, even though the tendency remains the same. In addition, this opposition to a simplification of the nomenclature corresponds to the practices of Intrastat users as nearly two-thirds use the Combined Nomenclature, with the majority being satisfied with it. It is possible that they work at a fairly detailed level which would be compromised by such a simplification. The simplification of the nomenclature thus seems to be a solution liable to be unfavourably received by a number of users.

The increase in the response delay may seem to be a more neutral solution. However, it should be recalled that the delays related to the availability of results are subject to the strongest criticisms against Intrastat.

A reduction in the amount of information requested goes against the practice of most users. These in effect use the resources of the system extensively including the results by product and by country as well as the different units of measurement. The only category of analysis which is used very little is the mode of transport which is used by only one out of twenty users.

Finally, as far as the increase in the obligation thresholds is concerned, it takes away from the accuracy of the data. The number of providers which would gain from such a measure are also limited.

The conflict between the points of view of the providers on the one hand and the users on the other limits the opportunity to introduce improvements easily. Even though the system will evolve in a way that is acceptable to both groups, it seems that more complex solutions should be envisaged to take account of the diverging interests. In addition, it is likely that an information programme targeted at providers could influence their point of view and make them more amenable to making the mutual efforts required.

ASSESSMENT OF DIFFERENT SIMPLIFICATIONS OF THE NOMENCLATURE

Percentages

	IN FAVOUR	INDIFFERENT	NOT IN FAVOUR	TOTAL
Basis : 1959				
HARMONIZED SYSTEM - 6 DIGITS (HS6)	24	47	29	100
HARMONIZED SYSTEM - 4 DIGITS (HS4)	12	50	38	100
HARMONIZED SYSTEM - 2 DIGITS (HS2)	8	51	41	100
PRODCOM	15	63	22	100

COMBINED NOMENCLATURE

With the 84th meeting of the Customs Code Committee - Tariff and Statistical Nomenclature Section, which took place in Luxembourg 23 - 26 April 1996, the work on statistical changes to the CN 1997 was completed. The result of the work carried out in Luxembourg is as follows:

- 24 new codes are included in the CN 1997
- a list of 160 codes proposed for suppression was submitted to the DGs of the Commission and the Member States for examination. As a result 35 codes will be deleted from the NC valid from 1.1.1997.
- To conform to the recommendation of 20 June 1995 from the World Customs Organisation (cf. doc W.C.O. 39.649) and based on a proposal from the Administration of the United Kingdom (Document MET 349) the Committee completed the examination of the document CNC/STAT 1496 on creation of new supplementary units. 43 new supplementary units were included in the NC 1997.

In addition, the Explanatory Notes to the CN that were last published in 9 languages in December 1994 (O.J. No.C 342 of 5 December 1994) were updated by DG XXI in close co-operation with Eurostat (document XXI/377/96). After the examination by the Customs Code Committee - Tariff and Statistical Nomenclature Section, a new publication of these notes in the 11 official languages of the Union will come out at the end of December.

ASSESSMENT OF NATIONAL INTRASTAT SYSTEMS SUMMARY

INTRODUCTION

The purpose of this exercise is to assess how the Intrastat system operates in all the Member States. It must be remembered that the Community legislation provides only a general framework for compiling statistics on the trade of goods between Member States, and it is up to the national services to organise the collection and processing of data. This explains the differences between the national systems, which reflect the differences in national circumstances (size of survey, resources, administrative infrastructure, traditions and attitudes of government departments). All these factors have had a strong influence on the introduction of the Intrastat systems and on how they have performed.

In the last quarter of 1995 evaluation teams travelled to the countries in question to interview those in charge of the statistical services. The interviews were based on a detailed questionnaire running to 70 pages.

INITIAL RESULTS

The initial results of the evaluation exercise are as follows:

Methodology

The methodological rules and definitions contained in Community law are generally complied with by all the Member States. Problems occur primarily when the Community legislation is not very precise (in the case of leasing transactions, for instance) or when, for particular reasons, it applies only in part or not at all (for example, in the case of indirect imports or exports). In order to improve statistical comparability, there is a need to harmonise the statistical treatment of "specific movements" (ships and aircraft, military goods, motor vehicle spare parts, etc). As for the link with the fiscal system, few Member States have conducted a detailed analysis of the differences between the two systems. National divergences in applying Community VAT rules have repercussions on statistics when the latter depend on these rules (e.g. reference period).

Transmission and processing of data

The systems which are closely connected to VAT procedures have proved to be especially effective with regard to the promptness with which data are supplied by the information providers and to the low non-response rate. In this respect, the warnings and penalties applied have also played a major part. The proportion of late declarations nevertheless remains high in most of the Member States, and is very noticeably so in the Netherlands and Ireland. Eurostat's EDICOM project provides strong encouragement for computerising the Member States' collection and processing systems and has come up with a series of successful ideas, such as the electronic IDEP form. But in some countries - such as Belgium, Greece, Portugal and the United Kingdom - "paper" is still king, accounting for 70-100% of items. Processing systems are often still too inflexible and inadequately adapted to the new requirements (late declarations, non-responses, etc). These systems tend to be extensions of the old systems based on customs formalities.

Checking procedures

Although the Member States attach great importance to exhaustiveness checks by making comparisons with VAT data, the actual results are far from satisfactory. The lack of data is revealed not only by this operation but also by the information on comparisons which Eurostat regularly asks for. About half of the national statistical institutes have access to data from VAT returns and from the VAT information exchange system (VIES). There is absolutely no doubt that the use of VIES data would as a rule make it possible for statistics to make up for non-responses and to clarify some discrepancies, since VIES information contains figures which are broken down by partner country and by enterprise. The systems of the Member States all share a common weakness, i.e. the lack of information on the effectiveness of the checks which are performed. Greater importance should be attached to this aspect, precisely because of the resources which are involved. Another shortcoming of data checks is the failure to differentiate with regard to the

procedures used. They should be more thorough in the case of major aspects and less so for minor aspects.

Register of intra-Community operators

It is surprising that in spite of the data supplied by the tax authorities, a third of the Member States were incapable of indicating how many enterprises in 1994 were liable for tax and required to provide Intrastat information on the basis of their turnover for intra-Community trade. In several Member States the register could be used even more efficiently for quality control, based on the successful experiments carried out in other Member States.

System of statistical thresholds

The value of intra-Community trade is under-estimated because of the use of statistical thresholds. In some Member States the figure is less than 0.5%, while in others it reaches nearly 3.5% (Ireland, Luxembourg). The effects of exemption also vary, and the proportion of information providers who are exempted ranges from a third to more than two-thirds. The effect of the assimilation threshold is considerably limited in Italy, because firms under the threshold level are nevertheless required when completing their quarterly or annual combined tax/statistical declaration to indicate the data in accordance with the eight-digit goods nomenclature. In view of the general problems affecting the quality of the figures for intra-Community trade, as clearly revealed by "mirror" comparisons of arrivals and dispatches, a revision of the regulation on statistical thresholds and quality requirements would seem to be called for.

Adjustments

The purpose of adjusting the data which have been collected is to correct errors due to under-estimates of flows because of non-responses and the application of observation thresholds. Four Member States (France, Greece, Italy and Spain) make no adjustments at all. Finland and Portugal simply adjust the part which is not considered because of the statistical thresholds. Denmark and Germany make adjustments to compensate for non-responses, but make no adjustment for data below the statistical thresholds. If results are to be comparable, Eurostat considers that there is an urgent need for the Member States to agree on harmonising adjustment procedures, especially with regard to statistical thresholds.

FURTHER WORK

Eurostat is going to continue its assessment work and prepare a report on each Member State.

Efforts should not stop there, however. It is in fact vital to take a close look at the areas in which measures need to be taken generally or for specific countries. Further work will involve drawing up concrete proposals to improve the operation of the national Intrastat systems.

Eurostat therefore proposes setting up three small working parties to be responsible for specific tasks:

- ***working party 1***: harmonisation of legal provisions and methods;
- ***working party 2***: improvements to processing and checking procedures;
- ***working party 3***: improvements to adjustment procedures.

The Intrastat Committee indicated at its most recent meeting (26-28 March 1996) that it was in favour of setting up these three working parties.

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ANNULMENT OF THE EDICOM DECISION

On 26 March 1996, the Court of Justice of the European Communities in Luxembourg annulled the Council's Edicom Decision of 11 July 1994 ('the decision'). A summary of the judgment is annexed.

The annulment had been applied for by the European Parliament. The matter in dispute was the legal basis of the decision. The decision was based on Article 235 of the EC Treaty. This basis had the support of the Council.

However, the European Parliament believed that the decision should have been based on the third paragraph of Article 129d of the Treaty and, secondarily, on Article 100a.

The European Commission supported the Parliament's conclusions in favour of annulling the decision. However, it considered that Article 100a should take precedence over the third paragraph of Article 129d as the correct legal basis of the decision.

The Court of Justice of the European Communities has examined the case. In paragraph 35 of its judgment, the Court concludes:

"It follows from the foregoing that the decision should have been adopted on the basis of the third paragraph of Article 129d and hence must be annulled."

As regards maintenance of the effects of the annulled decision, the Court has decided as follows (paragraph 39 of its judgment):

"It appears from the information provided by the Council and the Commission that, in order to avert discontinuity in Edicom measures already started and for important reasons of legal certainty, the effects of the Commission decisions already adopted pursuant to the annulled decision should be maintained. In contrast, as regards the other effects of the annulled decision, neither the Council nor the Commission has given any particulars of the difficulties which the annulment of the decision would have in this regard. In the absence of such particulars, the Court is unable to assess the degree and extent of those difficulties and to accede to that aspect of the two institutions' request."

Eurostat has now set in motion the procedures necessary for the adoption of a new Edicom Decision at the earliest opportunity, so as to limit the duration and extent of any detrimental effects on progress and activities at national and Community level.

The Court of Justice of the European Communities, Luxembourg

Judgment of the Court

26 March 1996

(Council Decision 94/445/EC - Edicom - Telematic networks - Legal basis)

In case C-271/94,

European Parliament, ...

applicant,

supported by

Commission of the European Communities, ...

intervener,

v

Council of the European Union, ...

defendant,

concerning an application for the annulment of Council Decision 94/445/EC of 11 July 1994 on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Edicom) (OJ L 183, p. 42),

...

THE COURT

hereby:

1) Annuls Council Decision 94/445/EC of 11 July 1994 on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Edicom);

2) Maintains the effects of the Commission decisions already adopted pursuant to the annulled decision until such time as a decision adopted on the appropriate legal basis enters into force;

3) Orders the Council to pay the costs;

4) Orders the Commission to bear its own costs.

...

Delivered in open court in Luxembourg on 26 March 1996.

...

EXPERTS' REPORT ON EDICOM

In February, 1996, a group of experts prepared a report on EDICOM. This report evaluates the EDICOM actions of 1994 and 1995 and gives recommendations for the continuation of the EDICOM project.

The group was composed by experts from Denmark (chair), France, Greece, Netherlands and Austria, assisted by representatives of Eurostat. The following article shows excerpts from the experts' report.

EXPERIENCES OF THE 1994 AND 1995 ACTIONS

The ideal, basic conditions were not present for EDICOM when this project started. The national administrations were far from being at the same technical level. The enterprises' readiness to use PCs and modems differed between Member States. The technical infrastructure for data communication was not available in all Member States.

To evaluate the 1994 and 1995 EDICOM actions, the experts' group has chosen to examine three major areas:

1. Software for the enterprises and other actions to reduce their reporting burden.
2. National administrations' and Eurostat actions.
3. Standards for exchange of data.

1. Software for the enterprises

Within the framework of EDICOM, three software products were developed for the enterprises. The CBS-developed package, CBS-IRIS, which is used in Holland and Germany, the Portuguese IDEP-INE, which is used in Portugal, and the Eurostat developed IDEP/CN8 package, which is used in all other Member States except the UK, where the private software houses are the sole suppliers of these or similar products.

❑ Stability reached

The programs have now been stabilized and are accepted by the enterprises. Most countries have chosen to provide the software free of charge or at a symbolic price in order to make these data entry solutions attractive. The distribution of the programmes is either handled by the national administrations themselves or in co-operation with software companies.

❑ Software companies

The national administrations have established close co-operation with software companies to set up standards on conformity, i.e. a guarantee now exists that for certain software products the Intrastat declaration generated conforms with the standards in the relevant country. In a number of countries IDEP/CN8 and CBS-IRIS have become the de-facto standard for electronic forms and output formats.

❑ Telecommunication

The software provided by the national administrations usually produces a diskette as output to be sent and later processed by a national administration unit. Some countries, however, have introduced telecommunications. Successful results have been reported in Holland, Belgium and Austria using CBS-IRIS and IDEP/CN8 respectively. In the UK the experiences with EDI are also positive. Telecommunications by networks or telephone lines are generally seen as growing in the Member States.

❑ The CN8

As a service to the enterprises, an electronic list of commodities has been developed containing the official Combined Nomenclature (CN8) which must be used when the goods traded are declared for statistics. The CN8 is also available in paper format and distributed in the Member States. As with the software some Member States provide the CN8 free of charge, others make a small charge.

❑ Helps-desks

In most countries help-desks have been set up to support the software users when they make their electronic INTRASTAT declaration and face problems. These help-desks are very successful and highly appreciated by the declarants. In some countries the software help-desks are integrated, or at least co-operate, with the Intrastat help-desks.

Eurostat has also established a help-desk with the aim of supporting the national administrations when serious problems arise. This service has proved to be very valuable and is an efficient way of collecting, recording and solving software problems.

2. *National administrations' and Eurostat actions*

These actions have primarily focused on software development, the setting up of statistical processing systems and the upgrade of equipment.

❑ Registers

A great deal of effort has been devoted to establishing comprehensive INTRASTAT registers in the Member States, i.e. records of the enterprises involved in EU trade. The register plays an important role, facilitating the communication flow with the enterprises, and indicating, for instance, IDEP/CN8, CBS-IRIS, IDEP-INE users. The general experience is that maintenance is difficult, in the sense that the completeness and correctness of the register can be somewhat uncertain. In addition, maintenance is a heavy workload.

❑ Processing systems

The national administrations have developed their own INTRASTAT routines for validation and processing of declarations including telecommunications. Individual solutions are, for example, also seen for reminders. Some Member States have installed network systems facilitating the communication between the administrations.

However, uniform functionality cannot be used due to national variations, thereby limiting harmonisation.

❑ Disk/Fax

The experience with Disk/Fax systems, which are installed in the majority of Member States, has generally been good. These systems have been developed as standard, stand-alone systems, i.e. they are not at the moment integrated with the register of enterprises. Fax returns to the enterprises therefore concern only diskette reading problems at the moment, not acknowledgments or reminders.

❑ OCR

Other systems for data capture have been installed, providing valuable experience. For instance, diskette copy boxes, OCR and scanner systems.

❑ IDEP, CN8, COMEXT

At Eurostat level, major progress has been made. The development of IDEP/CN8 has already been mentioned.

The maintenance of CN8 now takes place in a new text handling system thereby improving the chances of timely deliveries to the Member States. Previous delays have now been reduced. However, at Member State level, the printing of the CN8 is a considerable task as is distribution.

COMEXT can now be accessed in an open database system and complementary to this, extracts are available on the COMEXT CD-ROM.

3. *Standards for exchange of data*

The experts' group finds that there is widespread use of EDIFACT messages, e.g. CUSDEC/INSTAT and CUSRES/INSRES. Other EDI standards are also used, e.g. X.400 lines.

It seems that teleprocessing is in an elementary phase, however expanding. Experience also shows that attempts to introduce advanced telecommunication solutions have not been successful partly because few enterprises are linked to VANs and possess the know-how. Another restriction is the relatively high costs of VAN connections, which are rarely used, or established solely for statistical declarations. Simple solutions have proved to be the right choice to start with ("crawl then walk" solutions).

CONCLUSIONS

Since the introduction of the INTRASTAT system, there have been many achievements in the field of EDICOM developments.

Considering the conditions and the length of time that the project has been running, the experts' group finds that the EDICOM project has been implemented, and that the experiences and results achieved have given value for money.

Valuable projects have been started, some have been finished and others still run and have to be continued.

It has been demonstrated that:

- the IDEP/CN8, CBS-IRIS, IDEP-INE software are now stabilized and ready for full scale promotion and wider use,
- telecom solutions are expanding, but must not be forced,
- a satisfactory number of enterprises use EDI declarations,
- the opportunity to modernize equipment at national and Eurostat level brings the administrations more in-line technically,
- the Intrastat problems known are handled but far from solved, and new problems are expected to arise.

The value for money argument can also be put this way: if the EDICOM initiatives were to be stopped now and no new versions of IDEP/CN8, CBS-IRIS, IDEP-INE were developed, no new CN8 available, no help-desk assistance was to be given etc., the Intrastat system would meet even more serious problems.

The experts' group recommend the continuation of EDICOM with the following priorities:

- continue and intensify promotion of the use of electronic forms (software packages) developed by the national administrations or Eurostat.

- follow developments of hardware and software to recognize the need for amendments or renewal of equipment or programmes, e.g. EDIFACT translators, Disk/Fax systems, Windows 95.
- follow developments on telematic networks and tele-transmission and adapt systems to these, e.g. use of Internet to send CN8, thresholds, and other messages to the enterprises.
- continue and strengthen the existing data-communication initiatives.
- examine the dissemination of statistics as a means of motivation for the enterprises providing Intrastat declarations.
- continue and improve the quality and availability of trade statistics.

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EDICOM TASK FORCE MEETING IN LISBON

On 21 March the first EDICOM Task Force meeting of this year took place in Lisbon, hosted by the Instituto Nacional de Estatística. Major subjects were: The future role of the EDICOM Task Force; progress of the various actions in the Member States and at Eurostat; a presentation of the Portuguese Intrastat declaration package IDEP-INE; EDIFACT security; the new IDEP Windows development and the maintenance of the Disk/Fax system.

The future **Role of the EDICOM Task Force** was one of the main topics of the meeting. The original mandate given to the Task Force was to study the collection and processing of intra-community trade-statistics, to measure the budgetary and organisational implications and to establish an action plan and time schedule. After having finalised this task, the Task Force began to follow and discuss centralised and local technical developments and to serve as an important meeting place for the exchange of project experiences. The results and proposals are reported to the Intrastat Committee.

In the opinion of the Member States, the Task Force should continue to perform these tasks. The number of meetings will be less, two per year, but the duration will be two or three days. In addition, a number of Working Groups on specific subjects will be set up. These groups will meet during the Task Force meetings and when required. One Working Group, IDEP/CN8, in fact already exists; the group met for the first time in September last year. Other groups will be created in close co-operation with the Member States.

The **Progress on the EDICOM technical projects**, centrally managed by Eurostat, again showed a lot of different activities on the various projects. The **Comext CD-ROM** was adapted for the new Member States, the production speed improved, giving more up-to-date results. In the **Edifact** area, some new messages are being studied: CONTRL for response on the syntax level, STATEM for sending statistical information from the CNAs to Eurostat, and CLASET for the dissemination of CN8. Another subject of interest was the presentation of a prototype developed by Eurostat, to study the implications of **Edifact security** for the CUSDEC/INSTAT message produced by IDEP.

Following a questionnaire on the **maintenance of the Disk/Fax sys-**

tems, installed in nine Member States, it was decided that individual solutions will be discussed with the four Member States that still require future maintenance. The 1996 **IDEP/CN8** version 4 was distributed at the end of last year, and appears to be very stable. Over 10,000 copies are in use by Intrastat declarants, special requirements of the new Member States are currently being implemented. The central Help-Desk for CNAs is in full operation, collecting and handling problems, change requests, questions etc. that can't be solved locally. In due time, the specification and development of the 1997 DOS version of IDEP/CN8 will commence. Also in the area of **telecommunications**, progress was made with the installation of a telecommunications return handling system in Greece, now in full operation. The **Comext database** project concentrated on supporting and enhancing the system. Functional and technical improvements were made at both the client and server side, resulting in a better performance, new options for data-extraction, presentation and output facilities.

The **EDICOM actions in the Member States** show an encouraging level of co-operation between the Member States on various areas, such as promotion, documentation production and purchase of software. All Member States reported they were well on their way with the usage and further technical implementation of EDICOM. High on the agenda is the promotion, introduction and distribution of the software packages IDEP/CN8 and CN8 standalone (12 Member States), CBS/IRIS (2 Member States) and IDEP/INE (1 Member State), as it is widely recognised that the processing of declarations on diskettes and by EDI, and even of printed forms, is much easier and less error-prone than the processing of forms completed by hand. A second advantage is the high integrity of the data produced by PSIs that use these packages. The telecommunications solution to submit declarations, offered by these packages, is now introduced in five Member States and quickly gaining popularity. In many Member States, the improvement of the Intrastat traders register is high on the list of priorities, and so is the improvement of data quality. VAT data are often used for these purposes. Some Member States have installed, or are in the process of installing, OCR readers to read paper declarations on standard forms.

As required in the Council Decision on EDICOM, two **interim reports** concerning the first years of EDICOM were produced: one by Eurostat, giving full details of all projects, and one by a group of experts from five Member States, comparing the requirements of the Decision with the results obtained. Main conclusions were: EDICOM has been implemented and gave value for money. Projects have to be continued, the more general Intrastat problems are not yet solved.

Portugal presented the **IDEP-INE package**, which produces Intrastat output on paper and on diskette in Edifact format. The package consists of a program for the CNA to configure the package, and of a PSI program, also including the Combined Nomenclature. Distribution of IDEP-INE is planned for this year.

Eurostat presented the modular approach to be followed for the development of the new **IDEP/CN8 Windows** package. The various modules that are foreseen, together form a complete IDEP/CN8 package, but they can also be used separately or in certain combinations, which can be included in commercial software packages.

TELECOMMUNICATIONS FOR THE INTRASTAT DATA COLLECTIONS SYSTEMS

The first article of this series about the use of telecommunications for Intrastat data collection appeared in the EDICOM Newsletter 1/1995, describing the state in the Netherlands and Finland. The next article in edition 2/1995 looked at Belgium and the United Kingdom. We now continue the series with a review of the situation in France and Luxembourg.

FRANCE
Direction Générale des Douanes et Droits Indirects (DGDDI)

(Directorate-General of Customs and Excise)

By Antoine Egea, DGDDI

The option of using teletransmission to submit returns on the trading of goods has been available to businesses since the Intrastat system was launched. The teletransmission of these returns is governed by legal and contractual provisions enabling respondents to transmit non-paper returns which have the same legal force as those on paper.

Respondents who choose this means of transmission sign an agreement (interchange agreement) with one of the customs collection centres. This agreement stipulates in particular that a password is to be allocated and that the customs authorities are to send a notification of receipt, and also indicates the protocol and formats chosen.

Respondents may choose between two types of teletransmission:

- X.400 electronic mail, each collection centre being equipped with a TEDECO terminal;
- point-to-point file transfer via ETEBAC-3 and PESIT, which businesses commonly use in France for contacts with their banks.

Both electronic mail and file transfer use the X.25 network, which is itself accessible by the switched telecommunications network (STN). These two transmission methods account for 12% of the number of lines transmitted to the customs each month, i.e. almost 400 000 lines.

In order to increase the use of teletransmission, the customs authorities intend to take full advantage of the possibilities offered by IDEP/ Télécoms. With effect from September 1996, a Kermit or Xmodem telecommunications module is to be incorporated into IDEP/CN8. Without leaving the application, users will thus be able to send their returns to the collection centre without having to invest in complex and costly teletransmission systems and without having to use the services of a value added network (VAN). All they will need is a modem.

The aim is to reduce the time it takes to send returns and to eliminate the need to manage magnetic media. From the point of view of respondents, this system has the advantage of being simple and cheap and provides a good practical introduction to teletransmission and electronic data interchange (EDI).

There is also a customs server which enables small businesses to enter their returns directly via Minitel terminals, which are very common in France. This server, which is used by over 3 000 "small respondents", was recently awarded the title of "Best administrative telematics service".

Lastly, the Directorate-General of Customs regards the extension of teletransmission as one of its priority actions, since it is keen to offer businesses the widest range of possibilities adapted to their means and the volume of their operations.

STATEC LUXEMBOURG

By Francis Sonnetti, STATEC Luxembourg

In Luxembourg, the competent national administration for Intrastat is called STATEC (Service central de la statistique et des études économiques). The number of providers of statistical information (PSI) that are required to submit Intrastat declarations is about 3,000.

Luxembourg was one of the first Member States of the European Union to

use the IDEP/CN8 package, developed under the supervision of Eurostat. IDEP/CN8 provided declarants with the means to send the Intrastat returns by electronic media.

In Luxembourg this package is free of charge and available in three languages. 72% of the versions are in French, 23% in German and 5% in English. The IDEP/CN8 users are supported by a 2 persons-helpdesk.

At the end of April 1996, Luxembourg received for the first time Intrastat returns of more than 1,000 companies via electronic media (900 by IDEP/CN8 and another 100 by magnetic tape or cassette), amongst those were some 60 third-declarants. Every month more than 135,000 declaration lines are sent by electronic media.

In October 1995, a pilot project for telecom declarations was started in Luxembourg. A member of Eurostat installed an IDEP/CN8 version with the integrated telecom modules for tests in three companies. At STATEC a Windows application called Return Handling System (RHS) was installed to receive these returns. The communication took place through dial-up lines and a modem using X-modem protocol.

In January 1996, the yearly IDEP/CN8 version was distributed to the users, including for the first time the telecom option as standard. The telecom modules are installed at the same time as the IDEP/CN8 software. To activate the telecom option, the user has only to change a parameter. A modem test is included in the basic software.

Every user complying to the basic hardware and software requirements (at least a PC 286 with 2Mb RAM, DOS 3.3 or higher, a Hayes compatible modem, a phone-line with the possibility to dial outside) is now able to send Intrastat returns via telecommunication. No additional software is necessary for the data capture or transmission.

In IDEP a special parameter screen gives the user the possibility to change parameters such as the baud rate, the initialisation and reset string etc. But normally, the only parameter to change is the default COM-port as the default values are valid for most modem types. The multi-lingual interface dials itself the correct phone number and transmits data at a baud rate of 9,600 in a one-way no-response system. The communication takes place through a PC modem and a telephone connection.

For the user the transmission of returns is done by selecting the appropriate menu option in IDEP/CN8. Before any transmission all files are converted automatically into EDIFACT format. A log file keeps track of the different telecom actions.

When the telecom files are transmitted to STATEC (transfer time less than 1.5 minutes), the files are moved daily, by pressing one button, to the same channel as the files received by diskette. If some of these files are not in EDIFACT format or contain format errors they are directly rejected. Every file moved is automatically copied for security.

Most telecom users are able to send telecom returns without having to contact the helpdesk before starting the first transmission of data. The users requesting help usually have problems with a particular modem type or some COM-port problems. The first problem has largely been solved by setting a modem switch to the default values at the start.

No special promotion was done for the telecom option, but nevertheless up to mid-April the Intrastat returns of 34 companies were already sent via telecommunication.

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COST/BENEFIT ANALYSIS OF INTRASTAT DECLARATIONS ON DIFFERENT MEDIA

By the National Bank of Belgium

The National Bank of Belgium (NBB) created the Foreign Trade Statistics unit on January 1, 1995 with the purpose of collecting, producing, and publishing foreign and intra-Community trade statistics on behalf of the National Accounts Institute.

Of the 28,000 providers of statistical information (PSI) declaring their intra-Community trade in Belgium, there were only 600 PSI using diskette and only 35 using telecommunication. The remaining 27,000 PSI submitted their returns on paper forms. This was the situation inherited by the NBB at the beginning of 1995.

Considering the high cost of data entry associated with processing paper returns, the NBB examined the costs and benefits of several alternative options.

It was decided to promote electronic declarations as this would enable the NBB to:

- receive declarations without errors (using a dedicated software IDEP/CN8),
- speed up the entire production process,
- lower the costs, particularly data entry costs.

An internal cost/benefit analysis showed that electronic declarations cost far less than paper. The table below gives the relative cost per transaction comparing paper with diskettes, given a certain number of PSI.

number of PSI	paper %	diskette %
1,200	100	48
2,000	100	36
3,000	100	29

For example, if for 1,200 PSI, the cost per transaction on paper equals 100, the cost per transaction on diskette is 48. Thus, the net gain per transaction on diskette is 52 percent.

For declarations by telecommunication the figures are:

number of PSI	paper %	telecom %
100	100	209
500	100	54
1,000	100	41
2,000	100	30

The break-even point for telecommunication is 240 PSI.

It is obvious that declaration via electronic means and especially via telecommunication is the most advantageous.

In order to increase the number of PSI declaring electronically, a promotion strategy was conceived. Four products were developed, aimed at different segments of target groups:

❶ IDEP/CN8: the Eurostat financed Intrastat Data Entry Package (PC platform).

❷ A BBS (Bulletin Board System) solution for declaration, including client telecommunication modules which can be coupled to different kinds of software.

❸ A compliance label for commercial accounting software offering the same level of performance as IDEP/CN8.

❹ A X.400 telecom solution for declaration.

Products and target groups match as follows:

(see table 1)

In order to reach the target groups a mix of both direct and indirect approaches will be used (mailings, press releases, telemarketing, seminars, visits etc.).

For 1996 the goal is to attain 1,500 to 2,000 PSI using one of our products. The 3,000 mark should be reached by next year.

Table 1

		IDEP	BBS	Label	X.400
softwarehouses				X	
service providing third declaring parties	small & mid-sized	X	X		
	large	X	X		X
PSI or corporate third declaring parties	small & mid-sized	X	X		
	large	*	X		X

* = used as client of mainframe or other existing architecture

Legal Basis

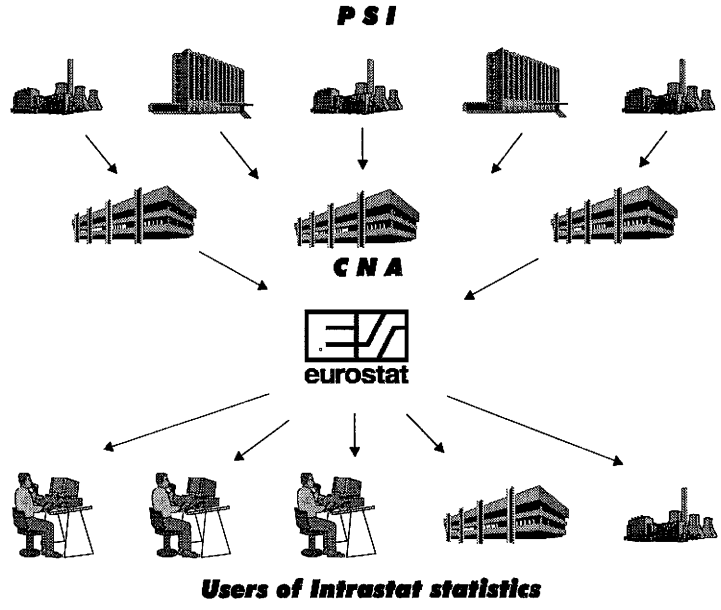
• *INTRASTAT Regulation:*

Council Regulation (EEC) N° 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States
OJ No L 316, 16.11.91, p. 1

• *EDICOM Decision:*

Council Decision of 11 July 1994 on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Edicom) (94/445/EC)
OJ No L 183, 19.7.94, p. 42

Intrastat Data Flow



INTRASTAT and EDICOM GLOSSARY

Competent National Administrations

Member State	Competent National Administration
▪ *Belgium:*	BNB - Banque Nationale de Belgique, Brussels
▪ *Denmark:*	Danmarks Statistik, Copenhagen
▪ *Germany:*	StBA - Statistisches Bundesamt, Wiesbaden
▪ *Greece:*	National Statistical Service of Greece, Athens
▪ *Spain:*	Agencia Tributaria, Subdirección General de Estadística y Planificación, Madrid
▪ *France:*	DGDDI - Direction Générale des Douanes et Droit Indirects, Paris
▪ *Ireland:*	The Revenue Commissioners, VIMA - Vies, Intrastat, Mutual Assistance, Dundalk; CSO - Central Statistics Office, Dublin
▪ *Italy:*	ISTAT - Instituto Nazionale di Statistica, Roma
▪ *Luxembourg:*	STATEC, Luxembourg
▪ *Netherlands:*	CBS - Centraal Bureau voor de Statistiek, Heerlen
▪ *Austria:*	ÖSTAT - Österreichisches Statistisches Zentralamt, Wien
▪ *Portugal:*	INE - Instituto Nacional de Estatística, Lisboa
▪ *Finland:*	National Board of Customs, Helsinki
▪ *Sweden:*	Statistics Sweden, Stockholm; Swedish Board of Customs,Stockholm
▪ *United Kingdom:*	HM Customs & Excise, Tariff and Statistical Office, Southend-on-Sea; ONS - Office for National Statistics, London

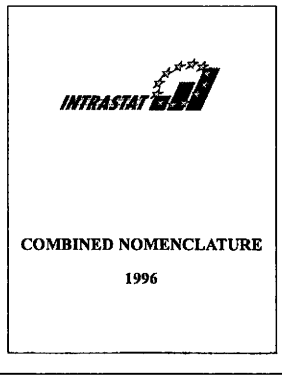
in some countries, more than one administration is involved in Intrastat.

Nomenclatures

• *CN 8: Combined Nomenclature*
Classification system of goods structured in 8-digit codes, based on the HS and applied within the European Union as CCT and for statistics of the intra- and extra-community exchange of goods.

• *GEONOM: Geonomenclature*
Register of codes identifying all countries and territories used for statistics of the exchange of goods of the European Union.

• *HS:* Classification system of goods structured in 4- or 6-digit codes.



GLOSSARY

- ***BBS:*** *Bulletin Board System:* computer software system that may be used to collect data using EDI
- ***CNA:*** *Competent National Administration:* administrative body responsible for the collection of statistical data relating to intra-Community trade
- ***COMEXT:*** Eurostat database containing external trade statistics (Commerce Extérieur)
- ***COMEXT CD-ROM:*** CD-ROM containing external trade statistics
- ***CUSDEC/EXSTAT:*** EXSTAT is the Edifact format for the Extrastat return derived from the CUSDEC (Custom Declaration) format
- ***CUSDEC/INSTAT:*** INSTAT is the Edifact format for the Intrastat return derived from the CUSDEC (Custom Declaration) format
- ***CUSRES/INSRES:*** INSRES is the Edifact format for the Intrastat response derived from the CUSRES (Custom Response) format
- ***DISK/FAX:*** Automatic diskette reading system (for Intrastat declarations on diskette) with integrated fax facility (for automatic fax replies)
- ***EDI:*** *Electronic Data Interchange:* data transfer by computer-computer communication
- ***EDICOM:*** *EDI on Commerce:* EU programme for technical projects within the framework of Intrastat
- ***EDIFACT:*** EDI For Administration, Commerce and Transport: international standard for message formats
- ***E-MAIL:*** *Electronic mail:* exchange of messages from computer to computer
- ***IDEP/CN8:*** Intrastat Data Entry Package with the Combined Nomenclature at 8 digit level: software package for the compiling of Intrastat declarations, developed by Eurostat
- ***IDEP-INE:*** Software package for the compiling of Intrastat declarations, developed by INE, Portugal
- ***INTRASTAT:*** Statistical system relating to the trading of goods between EU Member States
- ***IRIS:*** Software package for the compiling of Intrastat returns, developed by CBS, the Netherlands (also known as CBS-IRIS)
- ***MODEM:*** Modulator-Demodulator: device to send digital data over telephone lines
- ***MS:*** Member State of the EU
- ***OCR:*** *Optical Character Recognition system:* automatic system for reading paper forms
- ***PSI:*** *Provider of Statistical Information:* enterprises which are liable to declare their intra-Community trade for statistical reasons
- ***RHS:*** *Return Handling System:* automatic system to receive Intrastat declarations sent via telecommunications
- ***SCANNER:*** Device used to scan information from paper forms into a computer
- ***TC:*** Telecommunications
- ***VAN:*** Value Added Network: network offering application services like data transfers, e-mail etc.
- ***VAT:*** Value Added Tax
- ***X.25:*** International standard for communication between computers and networks
- ***X.400:*** International standard for electronic mail

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